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SCHOOL MILK PROGRAM



HEARING BEFORE THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH CONGRESS

FIRST SESSION

ON

H.R. 3197, H.R. 5247, H.R. 5248, H.R. 5407, H.R. 5408,
H.R. 5413, H.R. 5414, H.R. 5430, H.R. 5433, H.R. 5487,
H.R. 5600, H.R. 5604, and H.R. 5613

MARCH 17, 1959

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SCHOOL MILK PROGRAM

TUESDAY, MARCH 17, 1959

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The committee met, pursuant to notice, at 10 a.m., in room 1310 New House Office Building, Hon. Harold D. Cooley (chairman) presiding.

The CHAIRMAN. The committee will please be in order.

We have several bills for consideration this morning. I think most of them are identical. H.R. 5248, H.R. 5247, H.R. 5408, H.R. 5407, H.R. 5414, H.R. 5413, H.R. 5430, H.R. 5433, H.R. 5487, H.R. 5600, H.R. 5604, H.R. 5613, and H.R. 3197.

(The bills are as follows:)

[H.R. 5248, 86th Cong., 1st sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5247, 86th Cong., 1st sess.]

A BILL To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H. R. 5408, 86th Cong., 1st sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning

July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5407, 86th Cong., 1st sess.]

A BILL To increase the authorized maximum expenditure for the fiscal year 1959 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$75,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5413, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000 and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5414, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5430, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools,

child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5433, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5487, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5600, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5604, 86th Cong., 1st sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5613, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 3197, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$75,000,000, and for each fiscal year thereafter not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The CHAIRMAN. The chairman would like to recognize a former distinguished member of our committee, Mr. Anfuso of New York. Glad to have you with us.

STATEMENT OF HON. VICTOR L. ANFUSO, A REPRESENTATIVE IN CONGRESS FROM THE EIGHTH CONGRESSIONAL DISTRICT OF THE STATE OF NEW YORK

Mr. ANFUSO. Thank you very much.

Mr. Chairman and members of the committee, I am sure I need not take the committee's time to describe the pleasure I am enjoying by once again meeting with the House Agriculture Committee.

My associations as a member of this committee in the past are among my fondest memories and I might say I shall cherish the friendships which I have made here as long as I live. Keep my chair warm, Mr. Chairman, for I shall return.

I come before you today to discuss a subject in which I have had a deep interest for several years and one that I supported as a member of this committee. This is the special milk program for children. The fact that the leadership for establishing this program in 1954 came from this committee will be a lasting tribute to the committee and its members.

The record of this program over the past 4 years has certainly substantiated the interest and support the program has received from the committee and the Congress. We have in this milk program a truly cooperative project among not only government and school officials at various levels but between farm and nonfarm segments of our population. One need refer only to the bare statistical reports on this program to see that it has been tremendously successful nationally. I

understand that there are some 80,000 schools, child-care centers, summer camps, and other institutions devoted to training of children that are participating in this program. I further understand that if the program continues the remainder of this year at the level anticipated by the various States something over 2 billion one-half pints of milk will be served under the program.

In my own city of New York, the authorities responsible for program administration tell me that approximately 500,000 children are benefiting from the milk made available under the program. The nutritional benefits from the program in my own city can best be described by a development within the schools which provides early morning milk services to children, thereby providing these youngsters with additional protein and minerals at a time when these nutrients are most needed. This not only helps the children get off to a better start on the school day, but certainly compensates for diet inadequacy in those instances where children come to school without having had breakfast or having had an incomplete breakfast.

A curtailment in this program can only result in depriving youngsters of this fine food and directly affecting the cost to our taxpayers by requiring the Government to purchase milk not consumed by these children and storing this milk in the form of butter, cheese, and non-fat powder. Need I say more.

In my own city a curtailment could mean the discontinuance of a service of one-third quarts of milk in our schools and a return to the service of one-half pints of milk. This, of course, would bring about an immediate decrease in the amount of milk being consumed by these children at their luncheon period.

Like every member of this committee, I am sure, I favor and support economy in the use of Federal funds whenever and wherever such economy can be effected without jeopardizing our people or by falsely assuming economies that actually could not be realized as in the case we are discussing this morning. I, therefore, urge the committee to continue its role of leadership, not only in taking the interest of the farmer, but of the consumer as well, by supporting proposals which would assure the various States and our children that adequate financing will be made available to accomplish the very worthwhile objectives of the program.

I should think that a proposal which would authorize an additional \$5 million for the current year's operations and \$85 million for the next fiscal year and \$90 million for the 1961 fiscal year would give us this assurance.

May I conclude by saying, Mr. Chairman, that you as chairman of this committee should be congratulated for establishing for the first time in the history of Congress a Consumer Committee which worked effectively during the time that I had the very great pleasure and honor to serve under you. Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Anfuso. I have a communication received from Mr. John A. Baker, of the Farmers Union, and I will ask that it be included in the record at this point.

Also, a letter from Congressman Lipscomb enclosing a letter from W. H. Stabler, of Arden Farms, of Los Angeles, Calif., which, also, will be made a part of the record.

(The letters referred to are as follows:)

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 14, 1959.

HON. HAROLD D. COOLEY,
Chairman, House Agriculture Committee,
1310 House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed for your information is a copy of a letter received from Mr. W. H. Stabler, Arden Farms Co., 1900 West Slauson Avenue, Los Angeles, Calif., with reference to the shortage of funds under the school milk program. I would greatly appreciate your considering Mr. Stabler's remarks in connection with legislation on this matter pending before the committee, on which, I understand, hearings are to be held March 17.

Sincerely yours,

GLENARD P. LIPSCOMB,
Member of Congress.

ARDEN FARMS CO.,
Los Angeles, Calif., March 6, 1959.

HON. GLENARD P. LIPSCOMB,
House Office Building, Washington, D.C.

DEAR SIR: In 1958 the Congress extended the school milk program for 3 years commencing July 1 of that year. The expenditure of \$75 million annually from the funds of the Commodity Credit Corporation was authorized to finance the program. Of this amount the 1958-59 allocation for the State of California was \$6,781,409.

The special school lunch program here in California has been outstandingly successful. For example, during the 1957-58 school year 293 million one-third quarts and one-half pints of milk were used by the California schools under the program. However, we are now faced with a very serious situation. At the current rate of expenditure for this program the California 1958-59 allocation will be exhausted in the early part of May of this year. The agreements with the California schools require that 10 days' notice be given before their cancellation becomes effective. The California State Department of Education has now advised that unless assurance of the availability of additional funds for the 1958-59 school year is given it will be necessary to discontinue the program. Notice of such discontinuance will be given on or about April 24, 1959. Inquiry reveals that to finance the program here in California for the balance of the 1958-59 school year an additional allocation of \$1,110,880 will be required. The school milk program has received the unanimous endorsement of all interested parties. As one who is vitally interested in our State and in the health and welfare of our children, I am sure that you can appreciate that it would be a great tragedy if it becomes necessary to discontinue a program as important as this one.

I, therefore, earnestly urge you, in conjunction with your fellow Congressman, to exercise your best efforts toward securing the additional required allocation. Information concerning the program may be secured from Mr. Martin Garber, director of food distribution program, Agricultural Marketing Service, U.S. Department of Agriculture, Washington, D.C.

I know that at this time you are concerned with many problems, both domestic and foreign, but I cannot conceive of any program which is more deserving of your immediate attention than this one. May I hear from you at your earliest convenience.

Very truly yours,

W. H. STABLER.

NATIONAL FARMERS UNION,
LEGISLATIVE SERVICES,
Washington, D.C., March 16, 1959.

HON. HAROLD D. COOLEY,
Chairman, House Committee on Agriculture,
New House Office Building, Washington, D.C.

DEAR CONGRESSMAN COOLEY: Owing to the concurrence this week of the National Farmers Union Convention at Springfield, Ill., our legislative representa-

tives are unable to respond to your invitation to appear personally at the March 17 hearing of your committee with respect to H.R. 5247 and H.R. 5248.

We take this opportunity, therefore, to declare for the record that Farmers Union supports these bills. The first bill, by adding \$5 million to the original authorization, will ensure that the special milk program can be continued at its present rate through June 30 this year. As a preferable alternative, the second bill not only would prevent a cutback during the current fiscal year, but would add \$10 million in each of the 2 following fiscal years.

Along with the school lunch, Farmers Union regards the special school milk program as of highest priority among our food distribution plans. It is fundamental to fulfillment of our objective that no person shall lack the food needed for adequate nutrition.

In expressing our support of the aforementioned bills, however, we wish to note that even now, with nearly 22 million U.S. schoolchildren participating, scarcely one-half of the Nation's schoolchildren are as yet being reached under the School Lunch Act and special milk programs. With increased funds, milk utilization at eligible nonprofit summer camps can also be expanded.

Sincerely,

JOHN A. BAKER, *Director.*

The CHAIRMAN. Are any of the authors of the bills pending now present? Are there any others present who would care to make a statement? I would like to recognize any other authors who are here—Mr. Johnson, Mr. Kastenmeier, Mr. Langen, Mr. McGovern, Mr. Nelsen, Mr. Quie, and Mr. Anderson of Minnesota. The Chair recognizes Mr. Johnson of Wisconsin.

Mr. JOHNSON. I would like to make a few remarks prior to Mr. Gunderson because I wish to introduce him. Is that permissible?

The CHAIRMAN. Yes, sir.

STATEMENT OF HON. LESTER R. JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE NINTH CONGRESSIONAL DISTRICT OF THE STATE OF WISCONSIN

Mr. JOHNSON. Mr. Chairman and members of the committee, I want to thank you for your promptness in scheduling hearings by the full Agriculture Committee on my bills, H.R. 5247 and H.R. 5248, to increase the funds for the special milk program for schools and summer camps. The urgency of the situation is illustrated by the fact that 37 States and the District of Columbia will be forced to curtail operations in this field unless additional funds are authorized soon.

According to a survey made by the U.S. Department of Agriculture, the total deficit for the fiscal year ending June 30, 1959, would be \$3,378,569 if the program were carried on at the current level until the end of that time. My home State of Wisconsin has an indicated deficit of \$102,097. California will fall \$680,936 short of meeting its estimated milk fund needs. As our population increases, the school enrollment naturally keeps going up. These health programs for our young people must be expanded to keep pace with that growth.

Last June, Congress authorized a 3-year extension of the special milk program with an annual authorization of \$75 million. This is already proving insufficient. And unless we increase the authorization soon, those 37 States and the District of Columbia will have to tell their schools to cut down the milk supply to children who need it. In addition, the uncertainty over funds will seriously hamper the summer camp milk program, for now is the time when camp managers are making their food plans for the coming season.

On March 4, I introduced two bills in the House of Representatives that would increase the amount of Commodity Credit Corporation funds which could be used for the special milk program. My first bill—H.R. 5247—proposes that the authorization for the program for the fiscal year ending June 30, 1959, be increased from \$75 million to \$80 million. The second bill—H.R. 5248—provides for future expansion of the program as well as a temporary increase for fiscal 1959. Under the provisions of this bill, \$80 million would be authorized to carry the program through this fiscal year, and the funds would be increased to \$85 million for both 1960 and 1961.

I have just received a telegram from R. W. Fenske, superintendent of schools at Wisconsin Dells, Wis. He said:

Anything you can do to assure passage of these bills will be appreciated.

He and other educators know that the special milk program is one of the most successful programs of the U.S. Department of Agriculture. If adequate funds are available, over 2 billion half-pints of milk will be consumed under the plan. Added to the 2 billion half-pints used in the school lunch program, this represents about 3.5 percent of all the fluid milk consumed by our nonfarm population. Around 80,000 schools are taking part in the milk program, and about 22 million children are drinking milk at school either under the school lunch program or at recess breaks as part of the special milk plan.

The 80,000 school figure does not include the summer camps using the program. If you recall, I introduced the bill to extend the special milk program to the summer camps and it became a law in 1956. The following year, 2,220 camps participated. In 1958, the number increased to 3,026. I would like to see this worthwhile program continue to expand, but it will not—it cannot—unless enough funds are made available.

Frankly, I can think of no finer investment than one which insures that this country's children continue to receive the full benefits of the special milk program. Few responsible citizens will quarrel with the idea that the kids of this country are entitled to an adequate supply of the world's most complete food—milk. It seems to me that it is far better to use Commodity Credit Corporation funds to encourage children to drink more milk than to use the money to buy surplus butter, cheese, and dry milk. When it comes right down to it, that's the choice we are facing—more money for the special milk program or more price-support purchases of dairy products.

Although the funds for the special milk program come under the U.S. Department of Agriculture budget, I don't feel it's fair to charge the cost of the program to the farmers. This is one of the farm programs which does as much good for city folks as it does for the farmer. That's why the cost of this humanitarian program should not be lumped with the cost of Government purchases of surplus food, as is now being done. This kind of accounting presents an untrue picture of the expense of the price-support program, a picture which is grossly unfair to our farmers.

Here to give you a firsthand report on the accomplishments and needs of the special milk program in Wisconsin is Gordon W. Gunderson, administrative assistant to the Wisconsin State Superintendent of Public Instruction.

Mr. Gunderson is a native of Colfax, Wis., which is in my home district, the ninth. He has a long and outstanding record of public service to the people of our State. During the depression of the 1930's, he served as director of the Wisconsin Home and Farm Credit Administration, which undertook a special program of refinancing farm and home loans in order to put an end to the widespread foreclosures then taking place. After this emergency was over, Mr. Gunderson, as a State representative of the U.S. Department of Agriculture, helped establish the school lunch program in Wisconsin. During World War II, he served as State director of the War Food Administration and had under his direction the administration of all war food orders affecting food processing and so forth.

With the transfer of school lunch activities to the Department of Public Instruction in 1946, Mr. Gunderson was employed by that department to supervise the school lunch program in Wisconsin. Approximately a year later, the U.S. Department of Agriculture turned over to the State the distribution of commodities to schools, and he took on this additional job. The special milk program in our State has been under his supervision since 1954. He is appearing before this committee today in behalf of the American School Food Service Association and the Wisconsin Department of Public Instruction.

Mr. Chairman, I would like at this time to include in the record of this hearing a chart which shows the allocation by States of present funds for the special milk program, the estimated needs for the current fiscal year and the indicated deficit.

Mr. Chairman, I wish to thank you and the members of the committee for the time you have given me.

I introduce to you Mr. Gunderson.

(The tabulation and letter are as follows:)

SPECIAL MILK PROGRAM

*Apportionment of funds, State estimated needs, and possible adjustment required,
fiscal year 1959*

Administrative unit	Current division of funds ¹	Apportion- ment of \$4,000,000 reserve ¹	Total appor- tionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjust- ment re- quired
(1)	(2)	(3)	(4)	(5)	
STATE AGENCIES					
Alabama.....	\$1,014,601	\$61,009	\$1,075,610	\$1,095,680	\$20,070
Alaska.....	16,700	1,015	17,715	18,675	960
Arizona.....	306,580	19,453	326,033	357,223	31,190
Arkansas.....	604,970	36,569	641,539	658,127	16,588
California.....	6,781,409	429,944	7,211,353	7,892,289	680,936
Colorado.....	481,950	31,747	513,697	591,332	77,635
Connecticut.....	723,875	45,954	769,829	843,470	73,641
Delaware.....	166,950	10,585	177,535	194,735	17,200
Delaware State Hospital.....	14,864	-----	14,864	14,864	-----
District of Columbia.....	358,726	21,778	380,504	392,668	12,164
Florida.....	1,038,860	65,096	1,104,956	1,214,806	109,850
Georgia.....	944,416	56,088	1,000,504	1,001,504	1,000
Hawaii.....	128,607	4,554	133,161	133,161	-----
Idaho.....	157,748	10,098	167,846	186,102	18,256
Illinois.....	5,388,255	305,862	5,694,117	5,694,117	-----
Indiana.....	1,609,088	99,562	1,708,650	1,809,618	100,968
Iowa.....	1,352,822	78,954	1,431,776	1,431,776	-----
Kansas.....	757,819	46,070	803,889	830,992	27,103
Kentucky.....	1,137,327	68,906	1,206,233	1,241,457	35,224
Louisiana.....	470,911	-----	470,911	470,911	-----
Maine.....	242,025	14,672	256,697	264,220	7,523
Maryland.....	1,135,230	70,824	1,206,054	1,291,832	85,778
Maryland Department of Budget and Procurement.....	22,163	3,137	25,300	25,300	-----
Massachusetts.....	2,698,262	155,680	2,853,942	2,853,942	-----
Michigan.....	3,393,352	205,736	3,599,088	3,706,663	107,575
Minnesota.....	1,673,139	53,584	1,726,723	1,726,723	-----
Mississippi.....	903,503	56,190	959,693	1,023,745	64,052
Missouri.....	1,912,233	114,596	2,026,829	2,054,524	27,695
Montana.....	124,691	5,085	129,776	129,776	-----
Nebraska.....	336,569	19,973	356,542	356,542	-----
Nevada.....	51,182	3,181	54,363	57,544	3,181
New Hampshire.....	186,245	11,209	197,454	200,877	3,423
New Jersey.....	1,545,980	107,485	1,653,465	2,043,551	390,086
New Mexico.....	313,266	19,768	333,034	361,943	28,909
New York.....	8,395,800	506,459	8,902,259	9,104,966	202,707
New York Division Standards and pur- chasing.....	138,500	1,428	139,928	139,928	-----
North Carolina.....	1,192,412	71,701	1,264,113	1,286,917	22,804
North Dakota.....	180,652	11,598	192,250	214,376	22,126
Ohio.....	3,516,999	217,586	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare.....	127,485	-----	127,485	127,485	-----
Oklahoma.....	785,057	47,235	832,292	847,925	15,633
Oregon.....	440,484	26,990	467,474	488,766	21,292
Pennsylvania.....	2,817,892	180,524	2,998,416	3,327,468	329,052
Rhode Island.....	288,414	18,390	306,804	337,853	31,079
South Carolina.....	433,497	27,592	461,089	507,370	46,281
South Carolina Dairy Commission.....	66,338	-----	66,338	66,338	-----
South Dakota.....	314,114	6,090	320,204	320,204	-----
Tennessee.....	1,475,871	60,767	1,536,638	1,536,638	-----
Tennessee Department of Agriculture.....	18,665	-----	18,665	18,665	-----
Texas.....	2,088,902	126,377	2,215,279	2,274,710	59,431
Utah.....	155,619	-----	155,619	155,619	-----
Utah Department of Public Welfare.....	7,175	-----	7,175	7,175	-----
Vermont.....	143,640	335	143,975	143,974	-----
Virginia.....	1,221,283	73,042	1,294,325	1,307,975	13,650
Washington.....	1,038,736	62,992	1,101,728	1,134,620	32,892
West Virginia.....	362,280	3,633	365,913	365,913	-----
Wisconsin.....	1,987,557	122,076	2,109,633	2,211,730	102,097
Wyoming.....	137,988	8,204	146,102	146,678	576
Total.....	65,329,588	3,808,383	69,137,971	72,198,230	3,060,259
AREA OFFICES ³					
Northeast.....	852,165	56,588	908,753	1,058,340	149,587
Southeast.....	369,547	22,349	391,896	402,082	10,186
Midwest.....	2,713,737	166,533	2,880,270	3,015,916	135,646
Southwest.....	630,418	-----	630,418	630,418	-----
West.....	337,365	22,227	359,592	382,483	22,891
Total.....	4,903,232	267,697	5,170,929	5,489,239	318,310
Grand total.....	70,232,820	4,076,080	74,308,900	77,687,469	3,378,569

¹ Division of funds reflects adjustments made, following the February survey, to release funds from those State agencies which indicated that needs were less than previously scheduled payments.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

³ For program needs in schools and child-care institutions where program is not administered by a State agency.

⁴ Exclusive of funds reserved for Federal operating expenses.

GARDEN STATE MILK COUNCIL,
March 13, 1959.

Hon. LESTER JOHNSON :

Speaking for both the New Jersey Dairymen's Council and the Garden State Milk Council as chairman of their school milk programs we hope you will be successful in your efforts on the 17th in securing the necessary funds.

Milk should be stored in children's stomachs instead of warehouses.

Very truly yours,

W. M. NULTON, Jr.

The CHAIRMAN. Thank you very much, Mr. Johnson. We are very glad to have you with us, Mr. Gunderson, and we will be glad to hear you now.

STATEMENT OF GORDON W. GUNDERSON, ADMINISTRATIVE ASSISTANT TO THE WISCONSIN STATE SUPERINTENDENT OF PUBLIC INSTRUCTION

Mr. GUNDERSON. I sincerely appreciate this opportunity to appear before you and testify concerning the special milk program. As Mr. Johnson has stated, I am here today representing the American School Service Association which is a national organization of some 16,000 members composed of State directors of school lunch and milk programs, and school administrators, county and district school lunch supervisors, and managers and cooks of individual school lunch programs.

I am, also, representing the Department of Public Instruction of Wisconsin where I am directly in charge of the supervision of school lunch special milk and commodity distribution programs, as Mr. Johnson has stated.

I prepared a written statement for this committee and have copies available for each of the members. With your permission, Mr. Chairman, I should like to dispense with the reading of the statement, and merely comment on some of its highlights and to talk concerning the special milk program issues as I see them.

The CHAIRMAN. You may proceed in your own way.

Mr. GUNDERSON. I should like to have my statement entered as a matter of record.

The CHAIRMAN. Your statement will be in the record.

Mr. GUNDERSON. The special milk program is in its fifth year of operation. In September of 1954 the public schools at Lodi, Wis., began serving special milk to 530 pupils. It was the first school in the Nation to actually start operations under the experiment of this program.

Since that time there has been a continuous and steady growth not only in Wisconsin but nationally, until last year nationally over 19 million children in 76,000 schools and child care centers and child care institutions participated in the program, with over 1.9 billion half pints of milk being consumed.

Now at the outset of this program in 1954 and through 1956, there were at least a dozen experiments conducted in as many States of the Nation to find out what might deter the expansion of this program, what might hinder the consumption of milk by schoolchildren.

We tried to find new ways of serving milk, to overcome any difficulties to the end that this program might expand just as rapidly as

possible and as much milk as possible might be consumed in our schools.

The experiments included use of various container sizes, serving of flavored milk.

In Wisconsin we participated in the experiment concerning various levels of price reductions to determine what effect this might have on participation in our schools.

All of these studies were conducted in cooperation with the U.S. Department of Agriculture and the projects were federally financed.

Our findings and recommendations of these studies were published by the U.S. Department of Agriculture and were made available to all of the directors of the special milk programs and all of the States in order that they might have the benefit of this information and put it into operation, and here again to expand the lunch program as rapidly and as fully as possible.

This then appears to us out in the States to be the policy of the Department of Agriculture and we accepted it at its face value. We enlisted the support of farm organizations, milk distributors of national and State and local agencies concerned with the health and welfare of children, parent-teacher associations and so forth, to cooperate with us in expanding this program to all of our schools, if possible and at as rapid a rate as possible to keep our children drinking milk and to increase consumption throughout our school system. And with that united effort the program has expanded to the point where it now appears that we will be running short of funds in the current year unless additional funds are made available.

This past year in Wisconsin we approved 131 new schools for participation in this program, and nationally according to the information I have over 7,000 new schools entered the program.

And as Mr. Johnson has stated, the information published by the U.S. Department of Agriculture now shows that 38 States will suffer a deficit of over \$3 million and four of the five area offices of the USDA will have a deficit of over \$318,000 unless additional funds are made available to carry out the contractual commitments for the current year.

Now what would be the effect in the States in running into this deficit? A State administrator would have to take one or more of these attitudes: He would have to reduce the rates of reimbursement to a point which would enable him to continue payment at some rate to the end of the year or he would continue at the full rate of payment until the funds were exhausted and then terminate all contracts. He would certainly have to reject all new applications and I might state new applications will continue to be received in our State even at this late season in the school year.

It appears to me that he would have to curtail or eliminate completely participation by summer camps for children.

What in turn would be the effect of any of these actions or combination of them on the school milk program not only for this year but for succeeding years?

As I see it, the major effect would be first of all an immediate reduction in milk consumption. In our Wisconsin experiment it was clearly shown that we got the greatest increase in consumption by children, the greatest participation where the price to the children

was reduced by at least 50 percent. If there were to be a reduction in rate of reimbursement now it appears to me that the price to the children would be increased to a point where we could expect a very ready and a very definite reduction in milk consumption.

Secondly, I fear there would be a total exclusion or very sharply reduced consumption by children from low-income families. The experiments or studies which were conducted in St. Louis in 1955-56 showed that when the Federal reimbursement was applied toward the reduction of prices of milk to children the pupils in the low-income district increased consumption by 171 percent. The pupils in the medium-income district increased consumption by 157 percent. And the increase by pupils in the high-income areas was only 44 percent. I think this shows clearly that the greatest effect of price reduction is in the low-income areas. In Wisconsin, as I have stated before, we found that the greatest increase in participation came at the level where the price to the child was reduced by at least 50 percent.

Now certainly, any form of curtailment of this program would act as a deterrent to schools in entering into contracts next year. I doubt seriously that any new schools would even want to apply, facing the possibility of being cut off or having reimbursement rates again curtailed, reduced before the end of the year. And as I see it, too, any reduction in rates of reimbursement would have to be in the terms of the whole cent, 1 cent, 2 cents, 3 cents, depending upon the deficit which the individual State would be required to make up. Now, this reduction would have to be passed on to the child; he would have to be expected to pick up this additional payment resulting, I believe, in a direct reduction in consumption and probably elimination from participation in the program completely.

Because a 1-cent reduction in a rate of 3 cents reimbursement would mean a $33\frac{1}{3}$ -percent reduction in the reimbursement rate. That is a serious matter. School lunch programs where the reimbursement rate is 4 cents, it would amount to a 25-percent reduction.

And according to experiments that have been conducted, I feel that this is significant enough to force children out of the program. School boards and school administrators react pretty sharply to actions of this kind at this time of the year. The current reimbursement rates have been in effect now for over 4 years. The programs have been planned, budgets determined last summer, and school administrators, school districts are now planning to operate through the year on those budgets. Schools have purchased equipment with which to carry on the milk service and much of that equipment has been bought on time payments. We expect part of the money from the children and part of the reimbursement rate to cover the payments of this equipment and they are relying upon this established subsidy to carry them through the year. Therefore, I feel that any even minimum adjustment downward now in rates or a curtailment of the program completely would spell disaster not only for the remainder of this year but for the years that lie ahead. And this is at a time when we are far from serving half-pints of milk to every schoolchild in enrollment. We are not facing only the increased enrollment in the years to come; we haven't yet reached all of the children now attending school with one-half pints of milk.

The CHAIRMAN. May I interrupt you there and state that yesterday I learned we only reach about 50 percent of the children.

Mr. GUNDERSON. That is correct, sir.

The CHAIRMAN. Only 50 percent.

Mr. GUNDERSON. That is correct, sir. Now, Mr. Chairman, this program has been extremely interesting to me; it has been fascinating; it has been challenging. And I tried to visualize from time to time what these millions of half-pints of milk that these children have been drinking actually look like. I sometimes use the phraseology in talking to people in my State that it certainly would be enough to float a battleship but even that does not present a very clear picture. So I put it in the terms of manufactured dairy products and it brought to me a little clearer picture of what is taking place. So I have talked with the director of our department of agriculture, back in Wisconsin, and I learned that from 100 pounds of milk we could usually expect to get 4.2 pounds of butter, plus $8\frac{1}{2}$ pounds of nonfat dry milk solids, or we would get about 9 pounds of American cheese. Now converting this 1.9 billion half-pints of milk that the children drank last year into butter, for example, we would get over 43 million pounds of butter and over 72 million pounds of nonfat dry milk solids or, if it had been made into cheese, we would have gotten over 92 million pounds of American cheese.

Then I stopped to wonder whether or not our schoolchildren could have eaten this additional butter and cheese and powdered milk. And I am obliged to come to the conclusion that they could not have done so because they already get all they need in consumer programs from donations from surplus stocks now owned by the Government. Further consumption then would not have been possible. And I might say here, too, that the special milk program offers an opportunity for schools that do not have the physical facilities of coming into the school lunch program to participate in this health-giving program, the special milk program. Many schools would like to get into the school lunch but they need to find funds first, remodel or add to their buildings and to provide facilities for carrying on the lunch program. In the meantime, they are enjoying the benefits of the school milk program.

So from all viewpoints, Mr. Chairman, we would support the proposition that the necessary funds be made available to continue the special milk program at full capacity and at full rates of reimbursement to the end of this year and for the few years that lie ahead which have been provided for in legislation.

We are, therefore, supporting the bills now pending in this committee which would make such a program possible. I thank you, Mr. Chairman, for your courteous and kind attention and for the time you have given me to testify before this committee.

(The prepared paper is as follows:)

STATEMENT OF GORDON W. GUNDERSON ON THE SPECIAL MILK PROGRAM

I greatly appreciate the opportunity to testify before this committee on behalf of the special milk program.

I am here today representing the American School Food Service Association, an organization of some 16,000 members including State school lunch directors, county and district school lunch supervisors and managers of individual school lunch programs. I am also representing the Wisconsin Department of Public Instruction. In this department, I am the supervisor of the school lunch, special milk and commodity distributing program.

The special milk program is now drawing to the close of its fifth year of operation. From the time that Lodi, Wis., the first school in the Nation to begin the operation of the program, served special school milk to its 530 pupils in September of 1954, there has been a steady growth at an ever-increasing rate to reach a total of more than 19 million children in 76,000 schools and child-care institutions and a consumption of more than 1.9 billion half-pints of milk in 1958. This astounding achievement is in line with the objectives desired at the time of the enactment of the legislation and all through the 5-year period, even up to the present time.

During the 1954-55 school year numerous federally financed research projects were undertaken in many of the States to discover problems which might hinder the rapid and extensive expansion of the program and to explore new and more effective ways of increasing milk consumption in schools. These projects included experiments concerning effect of new times of service in schools; milk handling practices and temperature controls; use of milk vending machines; use of container sizes other than the usual one-half pint; the serving of flavored milk; and the effect of various levels of price reduction. In Wisconsin we cooperated in the study of price reduction. Other studies were undertaken in at least 11 other States. The data which was gathered was published by the U.S. Department of Agriculture and submitted to all of the State agencies administering the special milk program in order that they might take advantage of any new or improved ideas in milk service to the end that there might be a rapid gain in milk consumption throughout the Nation. In its preface to the "Service Guide for States," dated February 1959, the U.S. Department of Agriculture has stated:

"The Department of Agriculture believes that a many-sided approach is necessary to realize the potentialities of the program. It hopes that the program will: (1) Make the service of milk possible to schools or eligible child-care institutions not now serving milk; (2) encourage a larger percentage of children to drink milk in those schools and child-care institutions where milk is now available; and (3) offer an opportunity to those children now drinking milk, to drink more milk, if they so desire.

"Reimbursement funds available under the special milk program will make possible reductions in the price at which milk is offered to children and enable schools and institutions to make more milk available for consumption by children * * *. The Department recognizes that a price reduction is but one of several ways in which increased milk consumption can be encouraged; other ways include the establishment of new times for and their method of serving milk, and continuing efforts to better acquaint children with the importance of drinking adequate amounts of milk. Planning for increased efforts along these lines necessarily must rest largely in the hands of interested State and local groups * * *. The special milk program provides another opportunity to assist in local efforts to improve the diets and health of children."

It is evident that this has consistently been the policy of the U.S. Department of Agriculture since the foregoing quotations are almost word for word identical with those in the preface to the Service Guide issue in November 1956. State agencies having the responsibility for the administration of the program have accepted this policy at its face value. They have sought and have obtained the cooperation and services of farm organizations, milk distributors and national, State, and local agencies and organizations concerned with the health and welfare of children. These united efforts have made possible the expansion of the program to the point where it appears that the funds available for the current fiscal year will not be adequate to meet obligations under the terms of the agreements which have been entered into with participating schools. In Wisconsin we have approved 131 new applications during the current school year. On the national basis, the increase is approximately 7,000 schools over last year.

In the division of Federal funds among the States for the financing of the program for the current year, the U.S. Department of Agriculture has set aside a reserve for each State equivalent to 112 percent of the State's estimated expenditure during fiscal year 1958. Any funds needed by an individual State in excess of this reserve could be provided only to the extent to which funds could be recaptured from States not utilizing their full reserve.

Information published by the U.S. Department of Agriculture shows that 38 States indicate a deficit totaling \$3,060,250. In addition, four of the five area offices of the U.S. Department of Agriculture indicate a deficit of \$318,310.

What will be the effect of this shortage of funds in these States? The respective State agency will be obligated to take one or more of the following actions:

1. Immediately reduce rates of reimbursement to all participating schools to a point which would enable the continuation of the program to the end of the school year; or
2. Continue payments at the contractual rates until funds are exhausted and then terminate all contracts;
3. Reject all new applications for participation for the remainder of the school term;
4. Curtail or eliminate completely participation by summer camps for children.

Certainly, any curtailment in the program before the end of the school term would have a devastating effect upon the program not only for the current year but for the years that lie ahead. The major effects would be:

1. An immediate reduction in consumption of milk.

The Wisconsin experiment concerning the effect of price reductions upon consumption of milk by schoolchildren proved conclusively that:

(a) "The greater the price reduction, the greater was the increase in consumption.

(b) "Reduced prices resulted in increased numbers of children drinking milk in school.

(c) "The increased milk consumption at school was new consumption, not the replacement of home consumption."

2. Total exclusion from participation, or reduced consumption by children from low-income families.

The St. Louis study conducted in 1955-56 showed that "pupils in elementary schools serving low-income districts drank about 171 percent more milk, other than with meals, and students from the middle-income districts drank about 157 percent more during the 1955-56 school year than in the previous year * * *. Pupils in schools serving high-income districts increased their consumption by only 44 percent * * * the increase demonstrates a greater effect on those in the lower income school districts when price is reduced.

3. Dissuasion from participation in the coming year. Whether or not any school faced with a reduction in reimbursement rate or cancellation of the contract at this time of the school year will even consider renewing its contract for the coming year without a guarantee of continuous payment at full rate throughout the year is problematical, to say the least. Certainly it will act as a serious deterrent to participation by new schools.

The significance of the program becomes extremely interesting and vivid when we convert the millions of half pints of milk consumed into terms of butter, cheese, and powdered milk. Applying the formula that 100 pounds of 3.5-percent milk will produce 4.2 pounds of butter plus 8.5 pounds of nonfat dry milk solids, or 9 pounds of American cheese, we can readily determine that the more than 1.9 billion half pints of milk consumed by our schoolchildren in the past fiscal year would have produced more than 43 million pounds of butter plus more than 72 million pounds of nonfat dry milk, or more than 92 million pounds of American cheese. I believe it is reasonable to assume further that much of this would have found its way into Government warehouses. But the additional butter and powdered milk or American cheese would not have been eaten by American schoolchildren since they have already consumed these products from Government-donated stocks at a maximum rate.

It appears to me, therefore, that we face the problem of providing additional funds with which to finance the special milk program or face the probably even greater problem of purchasing and disposing of additional surplus dairy products.

We would support the proposition that the needed funds be made available for the continuation of the special milk program at full capacity and at full rate of reimbursement for the remainder of the current year and for the next 2 years as a health-giving, sound economic program for all concerned.

From an overall fiscal viewpoint, I think we should remember that the special milk program has not utilized the total funds made available in any previous year, so that in the aggregate the expenditure has been less than anticipated. The additional funds required for the current year, plus additional amounts for each of the next 2 years are authorizations and set maximum limits. Only to the extent that the program needs additional funds would CCC funds be

called upon. If full use of the authorized funds is not needed in the program, there would be no call on CCC for the funds.

The CHAIRMAN. Thank you very much, Mr. Gunderson.

Mr. GUNDERSON. If there are any questions, Mr. Chairman, I will be glad to try to answer them.

The CHAIRMAN. Any questions?

Mr. JONES of Missouri. What is the difference, if any, in the standards of the milk that is served in the various States in the school lunch program? I am referring to the standard of butterfat content in the milk in the various States. Does that vary from State to State?

Mr. GUNDERSON. It varies from State to State. And the legislation provides that the milk shall meet the standards prescribed in the State.

Mr. JONES of Missouri. What is the lowest butterfat content that is permitted in any State? What is the highest required?

Mr. GUNDERSON. I am sorry, sir, I don't have that information. Some one from the Department of Agriculture might answer that. I don't have that information myself.

Mr. JONES of Missouri. The reason I ask that question is that I have always had the feeling—and this is not a feeling of animosity but I feel that the dairy people themselves have brought on a lot of the problems they have by taking from the milk the things that nature intended to be in there and that you are not getting the full food value of the milk being served due to the fact that somebody always is wanting to take something out and creating an additional product. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Gunderson.

Mr. GUNDERSON. Thank you.

The CHAIRMAN. Mr. Hoeven.

Mr. HOEVEN. I note from your statement you have been doing some research regarding the use of milk vending machines and the flavored milk. What does your survey disclose as to the preference of schoolchildren for flavored milk over whole milk? Do they prefer chocolate milk?

Mr. GUNDERSON. We have not made the survey in our State but I have read the results of surveys made in other States and I can tell you that the offering of flavored milk and, particularly, chocolate milk does increase consumption.

Mr. HOEVEN. Is there a difference in the cost involved?

Mr. GUNDERSON. Usually, yes. Usually the chocolate milk costs more than the plain milk.

Mr. HOEVEN. That would not hold up the expansion of the program in your judgment?

Mr. GUNDERSON. No, apparently it has expanded consumption in the schools where it has been offered.

Mr. HOEVEN. Thank you.

Mr. POAGE. Who pays for that, the local people?

Mr. GUNDERSON. In some districts in our State the school district pays the difference between the cost of the milk and the reimbursement but ordinarily, the children pay for the difference.

The CHAIRMAN. Thank you very much.

Mr. COAD. May I ask one question? In some of the chocolate milk that I have purchased and consumed myself, it is obvious to me something besides chocolate is added to it. What is that?

Mr. GUNDERSON. I think if you had a chocolate drink in place of the chocolate milk, you might have had a filler in the milk.

Mr. COAD. That which is contained in the grocery store, is that right?

Mr. GUNDERSON. There is quite a difference between chocolate milk and chocolate drink. The legislation provides that in the milk program we must have whole milk with chocolate flavoring added in order to be eligible for reimbursement. Chocolate drink cannot be served. Usually chocolate drink has a part of the butterfat drained out and then it is filled with other flavoring.

Mr. COAD. Thank you.

Mr. TEAGUE of California. I would like to have the record show that every Republican member of the committee is present because of this great cause. The Republican Members of Congress have a great interest in this program.

The CHAIRMAN. And in the schoolchildren as well.

Mr. TEAGUE of California. Yes, sir. [Laughter.]

Mr. ABERNETHY. Mr. Gunderson, I am interested in having this program being charged to the appropriate source. I think we are making a terrible mistake year after year charging the operation of any program which is designed to improve the physical bodies of our children to the Commodity Credit Corporation. Each year we receive from the Department of Agriculture reports and a tremendous amount of publicity regarding the costs of the agricultural programs in general. Unfortunately, the American farmer is not in a very good standing today as a result of that publicity. They add up the cost of the various programs down there and charge them up to the price support program about which some of us are condemned.

Don't you think it is appropriate if we are going to continue this program even for 1 more year that it be charged up as a direct obligation instead of the price support program as it is now charged?

Mr. GUNDERSON. I would be obliged to leave that to the wisdom of the Congress. But I certainly would have no quarrel with that proposal.

Mr. ABERNETHY. Do you look upon it as a price stabilization program?

Mr. GUNDERSON. No, not completely.

Mr. ABERNETHY. What do you mean, "not completely"? You testified in behalf of the children.

Mr. GUNDERSON. Yes. I think it is a combination of a health-giving program, and at the same time you have certainly a drainoff of fluid milk which would otherwise go into the manufacture of dairy products.

Mr. ABERNETHY. The school lunch program comes in the direct appropriations.

Mr. GUNDERSON. Yes, sir.

Mr. ABERNETHY. Does it not?

Mr. GUNDERSON. Yes.

Mr. ABERNETHY. Why should not this come from the same source?

Mr. GUNDERSON. It would be perfectly agreeable with me.

Mr. ABERNETHY. I am certainly glad to hear that.

Mr. BASS. This committee would not handle it, if it was somewhere else and we would not get credit for it. [Laughter.]

Mr. ABERNETHY. We are getting credit for numerous things, both bad and good.

This is one program that I think ought to stand on its own feet and go to the Appropriations Committee just as the school lunch program does instead of our charging it to the Commodity Credit Corporation and subsequently seeing it in the columns of the newspapers as a cost of farm program.

Your testimony is in support of the children. I for one am in favor of putting this program on the same basis as the school lunch program and taking it out of the stabilization operation because it has come to be accepted as a program for children which it should be. However, it shows in the balance sheet of the Commodity Credit Corporation as a farm program expense.

Mr. QUIE. Will you yield?

Mr. ABERNETHY. Yes.

Mr. QUIE. Last year we made a change.

Mr. ABERNETHY. We did not. These bills—It may be that we did. No, these bills provide they are not to exceed so many dollars of the funds of the Commodity Credit Corporation. That is what these bills provide.

Mr. QUIE. We still use the funds of the CCC but we don't budget this as a price-supporting mechanism, as I understand it.

Mr. ABERNETHY. It shows up in the cost balance sheet every year.

Mr. QUIE. Not this year.

Mr. ABERNETHY. It has to. If they do not show it up there they are not recording it in the proper columns.

Mr. QUIE. This is a special item in the budget.

The CHAIRMAN. We have the gentlemen from the Department to explain the bookkeeping, I think. Thank you very much, Mr. Gunderson.

Mr. GUNDERSON. Thank you.

The CHAIRMAN. Is Mr. Jack Jackson of the National Grange present?

Mr. JACKSON. Yes.

The CHAIRMAN. I recognize Mr. Jackson.

Mr. ABERNETHY. May I have read into the record a correction on this matter? Public Law 85-478—that would be the last Congress, provided as follows:

"Amounts expended hereunder and under"—under this program, Mr. Quie,—“and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.”

But the fact remains that the funds come out of the CCC and are charged as expenditures of the CCC which funds are available only or should be made available only for price support operations.

The CHAIRMAN. All right. Mr. Jackson, we are glad to have you here and to hear from you.

STATEMENT OF JACK JACKSON, DIRECTOR, PUBLIC RELATIONS, NATIONAL GRANGE

Mr. JACKSON. Mr. Chairman and members of the committee, I am Jack Jackson, director of public relations for the National Grange, with headquarters at 744 Jackson Place, NW., Washington, D.C.

As a general farm organization, the Grange has a special interest in the special milk program for children. This interest stems from the fact that the number of Grange members involved in the production of milk is greater than that of those involved in the production of any other single farm commodity. For this, and other reasons, we appreciate this opportunity to appear before your committee in support of adequate financing of the special milk program for children—commonly referred to as the school milk program.

It has traditionally been a position of the National Grange, that in seeking a solution to, or the alleviation of, problems relating to agriculture, we should strive for commodity programs which will:

- (a) Tend to raise farm income;
- (b) wherever possible, permit cooperative participation by Federal, State and local agencies—and individual citizens;
- (c) encourage the consumption of the commodity involved;
- (d) provide for effective use of commodities;
- (e) prevent the accumulation of surpluses in the hands of Government;
- (f) reduce Government farm program cost;
- (g) restore to private industry the responsibility for the handling and selling of farm commodities; and
- (h) permit price to serve its proper function in the marketplace.

The special milk program for children has made—and is now making—an effective contribution to each of these objectives. That is to say nothing of the humanitarian and the health aspects which have been referred to here.

The program has helped reduce stocks in the hands of CCC. Thus, it has encouraged higher producer prices and increased producer income.

It is based upon active cooperation between Federal, State, and local governments—and individual citizens.

The amount of milk consumed through the program has increased substantially year after year.

Fluid milk consumed by children is obviously used more effectively than that permitted to accumulate in the hands of the Commodity Credit Corporation.

It is estimated that 2.1 billion half-pints of milk will be consumed through the program this year. It would not be correct to say that all this milk would otherwise have gone to CCC, but it is reasonable to assume that at least a sizable portion of the milk would have gone in that direction.

Furthermore, it is reasonable to assume that programs of past years have contributed favorably to present fluid milk consumption patterns. To that extent, they have helped in bringing about our present relatively favorable CCC supply situation.

This special milk program for children is initiated, financed, and conducted largely by local agencies, industry, and individual parents. It is, therefore, we feel, far more efficient than programs which are completely federally operated, financed, and controlled.

By the same token, this program leaves with private industry the responsibility for handling and selling milk—and it permits price to perform its proper function.

All these advantages take on added significance when we stop to realize that some excess milk is essential to public welfare and that an excess of 4 or 5 percent can spell disaster to producers—and it can hold serious meaning for taxpayers. Thus, a small increase in consumption can have far-reaching economic effects.

Records show that participation in the program has increased steadily year after year and that it has stepped up sharply during recent years—and recent months.

And I think it is significant that the official records of last year's increase show that the number of "outlets" was up 5 percent while the amount of milk involved stepped up 13 percent. This means that either a greater number of children were receiving milk through each "outlet" or that each child was drinking a greater amount of milk. I suspect that both are true, but the significant point is that the amount of milk distributed by each "outlet" increased sharply (up 13 percent last year).

This popularity of the program itself, plus the rapid increase in children eligible for participation, makes it crystal clear that both the program and benefits derived from it will continue to expand if adequate financial provisions are assured.

If these provisions are denied or threatened progress will halt and retrenchments will become necessary. This, in turn, will have a negative effect on program plans for the future. These plans would, of necessity, be based upon existing circumstances. Thus, no expansion would be planned, and at best, the program would become static.

All this leads us to feel that in the interest of producers, taxpayers, economy in Government, and the general welfare of the Nation, an effective continuation and expansion of this program is to be encouraged and that adequate appropriations must be authorized.

This authorization should include provisions for 1960 and 1961, in order that school and other officials may have some basis for planning their future operations. Such advance planning is essential to maximum efficiency and to public confidence in the program itself.

For these reasons we respectfully suggest that Congress authorize the expenditure of an additional \$5 million for the remainder of this fiscal year (total \$80 million) \$85 million for fiscal 1960; and \$90 million for fiscal 1961. We support bills designed to accomplish this purpose.

We make this recommendation with a full appreciation for the importance of reducing Government expenditures wherever feasible, but for reasons mentioned earlier we believe that the authorizations referred to above will have a favorable effect upon total Government expenditures and that they will result in increased program efficiency.

The CHAIRMAN. Thank you very much, Mr. Jackson.

Mr. HOEVEN. May I ask one question? Mr. Jackson, with reference to financing the program you recommend a total of \$80 million for 1959. And in that connection I would like to, also, address an inquiry to Mr. Johnson, my colleague from Wisconsin.

Mr. Johnson, you made reference to the fact that the \$80 million figure did not include summer camps. Does it include nonprofit nursing schools, child care centers, and similar nonprofit institutions?

Mr. JOHNSON. Yes; from information I could get, and from the survey that has been made, the increase of \$5 million for 1959 should take care of those programs.

H.R. 5427 would leave the program just as it is including the summer camp program, but would raise the funds \$5 million for 1959. I offered a bill for increased funds for 1960-61.

For the 3-year period, I would suggest that you raise funds \$5 million in 1959 and \$10 million in 1960 and 1961.

Mr. HOEVEN. Do I understand that for 1959 you would not include nonprofit schools?

Mr. JOHNSON. It would take care of them.

Mr. HOEVEN. How?

Mr. JOHNSON. It was my understanding that it would take care of them.

Mr. HOEVEN. You said you were not including summer camps.

Mr. JOHNSON. I do not think my statement said that. I said if we left the program as is, the summer camps would probably be shut off.

Mr. HOEVEN. Do I understand that the \$80 million figure would include nonprofit nursing schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children—all are included in the \$80 million?

Mr. JOHNSON. Yes, sir.

Mr. HOEVEN. Thank you.

The CHAIRMAN. Thank you very much, Mr. Jackson.

Mr. Clarence Miller, will you come around, please, sir.

You have a prepared statement, Mr. Miller?

Mr. MILLER. Yes, I have a prepared statement, Mr. Chairman. I have with me this morning, Mr. Chairman, Mr. Oris Wells, the Administrator of the Agricultural Marketing Service, who has general overall responsibility for the program; Mr. Martin Garber, the Director of the Food Distribution Division of the Agricultural Marketing Service; and his assistant, Mr. Davis.

The CHAIRMAN. We are very glad to have you gentlemen with us. You may proceed.

STATEMENT OF HON. CLARENCE L. MILLER, ASSISTANT SECRETARY; ACCOMPANIED BY ORIS V. WELLS, ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE; MARTIN GARBER, DIRECTOR, FOOD DISTRIBUTION DIVISION, AMS; AND HOWARD P. DAVIS, DEPUTY DIRECTOR, FOOD DISTRIBUTION DIVISION, AMS, DEPARTMENT OF AGRICULTURE

Mr. MILLER. We are pleased to be here today to report on the operation of the special milk program and to discuss various bills to authorize a larger expenditure of Commodity Credit Corporation funds for this purpose.

Public Law 85-478 extended the operation of the special milk program for an additional 3 years—through fiscal 1961—and authorized the use of up to \$75 million of CCC funds for the program in each of the 3 years. The several bills under discussion here today are concerned with an increase of this \$75 million limitation. Some bills propose raising the current year's authorization to \$80 million; others provide for \$80 million this year and increase the authorization to \$85 million for 1960 and 1961; still others would increase the authorization by an additional \$5 million for each of the 3 years, resulting in a maximum authorization of \$90 million for 1961.

Before commenting specifically on these proposals, I would like to briefly review for the committee the past accomplishments and current trends under this program to increase fluid milk consumption by children.

The special milk program was first authorized in the revised dairy price support provisions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time State educational agencies and individual schools had to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 45 million half-pints were distributed under the program and expenditures totaled \$17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half-pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from \$17.1 million to almost \$46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totalled about \$650,000. Although camp and institutional operations are small in relation to the school program, the program has made it

possible for these groups to provide a much more adequate milk service for children.

The program has continued to grow both in terms of the number of participating schools and institutions and the volume of milk moved under the program. During the last fiscal year, over 76,000 outlets were in the program and 1.9 billion half pints of milk were consumed by participating children. This represents an amount equal to about 2¼ percent of the annual fluid milk consumption by our nonfarm population, exclusive of milk served with the type A lunches.

CCC expenditures under the 1958 program totalled \$66.3 million, which represented a 9.6 percent increase over the preceding year. Thus, we went into this fiscal year with sufficient funds to permit a 12 percent increase in program expenditures.

We feel that the total need for funds this year will fall very close to the current authorization of \$75 million, assuming present program trends continue. It should be realized that this is our expectation—based upon the best information we now have and our past program experience—but such expectations can change as reports of succeeding months' operations become available.

A recent survey of States, to obtain their first estimate of probable needs for this year, indicated that program requirements might total as high as \$77.7 million. Such a survey is made about this time each year, in order to avoid advancing excess funds to any State.

The \$77.7 million would represent a 16 percent increase over 1958 expenditures. We believe it to be a maximum estimate, inasmuch as there is a natural tendency for States to include a reserve over probable requirements and because the experience has been that the rate of growth slows down in the second half of the school year.

At the beginning of this year, States were provided with an allotment of funds equal to 105 percent of their 1958 expenditures. This left a reserve of \$4 million, exclusive of funds required for Federal operating costs. We have proceeded to allocate this \$4 million reserve in a manner that would provide each State agency with 112 percent of last year's expenditures, if the agency's estimate indicated the need for that much money.

We are submitting for the record, a table which shows the original allotment of funds to States, the allotments following the allocation of the \$4 million reserve, the estimated needs as submitted by States, and the possible adjustments required to stay within the available funds, if total needs turn out to be as high as \$77.7 million.

We intend to keep in constant touch with developing expenditure rates in an effort to see if we can effect any additional recapture of funds prior to the end of the fiscal year; although States are reluctant to give up any funds until they are sure they will not be needed.

There may be a necessity for some States to adjust or modify their operations prior to the end of the school year in order to stay within their funds.

In a period where it is highly essential that every possible economy be made in Federal expenditures, we feel that a \$75 million level for this program is adequate. Unless we stabilize the program expenditures at this time, any increase would only pave the way for further increases in subsequent years. Certainly, the full availability of funds in the initial years of operation permitted the rapid

expansion that was so helpful in creating constructive additional markets for fluid milk. However, under current conditions, we feel that a \$75 million program is sufficient to provide the stimulus needed both for efforts to increase milk consumption among children and to provide expanded markets for fluid milk.

When the special milk program was authorized in calendar year 1954, the CCC had about a billion pounds of surplus dairy products. Now, our inventories are negligible. In 1959 milk production is not expected to be significantly different from 1957 or 1958 levels and increased consumer incomes are in prospect. Thus, commercial use of milk products per person is expected to be at least as large as in 1958. With the rise in population, supply and the commercial use of milk products—measured on a fat basis—is expected to be more nearly in balance than in several years.

We feel, therefore, it is time to adjust our special milk operations to stabilize the program at its current authorization.

That concludes the statement, Mr. Chairman. There is attached the table that I spoke of in the statement.

(The table may be found on p. 10.)

The CHAIRMAN. Do I understand then that the Department of Agriculture is opposed to the legislation now under consideration?

Mr. MILLER. Yes, sir; we feel that the \$75 million authorization is sufficient to maintain the program at about its present level.

The CHAIRMAN. Did you not indicate that the need might turn out to be as high as \$77.7 million?

Mr. MILLER. This year, that is right. We say that it could be—there is a possibility that it could be. The \$75 million is what we have allocated. The \$77.7 million indicated is the amount of money that the States thought they might use.

The CHAIRMAN. There is the possibility that you might exceed your limitation of \$75 million?

Mr. MILLER. We might recapture money from the States that they will not use of the amount of money that they originally thought they might. And that the reallocation process—

The CHAIRMAN. Is that based upon economy, to economize—is that the idea it is based upon—

Mr. MILLER. We feel—

The CHAIRMAN. To economize even though possibly jeopardizing the program, which is proving so worthwhile.

Mr. MILLER. We don't feel it would jeopardize the program.

The CHAIRMAN. Would you object to the legislation if we struck out the word "shall" and inserted in lieu thereof the word "may"?

Mr. MILLER. I am sorry, I do not have the bill before me.

The CHAIRMAN. In H.R. 5248, on line 8, it directs you "shall"—"shall be used to increase use of milk"—change the word "shall" to "may"—"may be used to increase." In the event you find you do need additional funds you would have the right to use the amount fixed in the bill.

Mr. JOHNSON. May I ask a question? Other years we have appropriated for CCC more money than has been used. There is nothing in this legislation that requires you to spend more than the needs.

The CHAIRMAN. Certainly not. That is why I cannot understand the position of the Department in opposing it. The only thing that we

propose to do here now is to give you authority to go beyond the \$75 million limitation if you need it. You admit there is a possibility that you will have increased needs.

Mr. MILLER. There is a possibility that we might go beyond the \$75 million.

The CHAIRMAN. Why do you take the position you do? Because then it is indicated that the Department of Agriculture is opposed to the school milk program.

Mr. MILLER. I don't think we said that we are opposed to it, nor do our past recommendations indicate that.

The CHAIRMAN. You are opposed to an increase in the authorization. And we only want to give you the authority to reach all of our schoolchildren. You are not reaching them now. You only reach approximately 50 percent. If you fit your budget to the \$75 million, you know you cannot increase or expand the program any.

Mr. MILLER. We feel we have reached, at the present time, a rather stable balance in milk production and consumption in the United States, Mr. Chairman. The evidence——

The CHAIRMAN. In other words, you are not interested in the schoolchildren—the health of the children of the Nation. You are interested more in balancing the milk business. You spent, on dairy products, a billion and a half dollars, and since you have that program in balance, you are not interested in further expansion of this program, are you?

Mr. MILLER. We feel that we will get with the \$75 million the maintenance of the present level of milk consumption in schools, Mr. Chairman, without a further expenditure of money such as we have had in the 4-year period of the program—or 4½-year period, since we have had milk introduced to the children in the schools. We have established a rate of consumption that can be maintained without any increased budget.

The CHAIRMAN. Are you for authority to spend additional money if voted by Congress, whether you need to spend it or not spend it?

Mr. MILLER. We feel there is not any reason for requesting any more for it, if the objectives can be reached with what we now have and what we have determined is a sufficient fund.

The CHAIRMAN. Mr. Johnson, the author of this bill has been conferring with me from time to time. My recollection is that he said you are going to be short on funds, isn't that right? He came to that conclusion.

Mr. MILLER. You have a table in the text that sets out, I believe, probably the same information that Mr. Johnson gave you a moment ago.

The CHAIRMAN. Take California, for instance, how much additional money will be needed in that State?

Mr. JOHNSON. The table is attached to the remarks.

Mr. MILLER. Column 4, the State of California, estimated they would use \$7,892,289 for fiscal year 1959. We have allocated as of this time \$7,211,353.

Have you any figures, Mr. Garber, that would show what the situation is in the State of California?

The CHAIRMAN. It requires \$680,936.

Mr. MILLER. That is the adjustment required if the State of California uses as much as they originally thought they might use, Mr. Chairman. That is, as I stated in my statement, a maximum amount that they felt they could use.

The CHAIRMAN. All of these figures that are attached are based upon estimates of the use of funds by the several States, is that right?

Mr. MILLER. In our experience they on the whole have overestimated their requirements every year. That is customary, I think, for most agencies such as this to do. They are providing for what they can actually dispose of with a comfortable reserve on top.

The CHAIRMAN. You have provided a reserve—you have provided for that?

Mr. MILLER. Yes.

The CHAIRMAN. You set it up for——

Mr. MILLER. 12 percent over what they used last year.

The CHAIRMAN. You set it up on that basis?

Mr. MILLER. Yes.

The CHAIRMAN. You think then all of these States that show possible adjustment requirements have just overestimated their requirements?

Mr. MILLER. I think they have provided an estimate of what they will use during the current fiscal year with a reasonable insurance or cushion to carry them over in case they do have requirements for more than they actually think they would use.

The CHAIRMAN. You listened to the statement of Mr. Gunderson?

Mr. MILLER. Yes, sir.

The CHAIRMAN. To sum it up, the Department just does not want the money and is willing to run the risk of seeing this program run short of funds before the year is over.

Mr. MILLER. We don't think there is a risk of losing any participation relative to the milk consumed in the program.

The CHAIRMAN. In the first place, you were given \$75 million the first year, weren't you?

Mr. MILLER. No, I don't think the first year. I think \$75 for the last two, I believe.

Mr. ABERNETHY. It was \$50 million.

Mr. MILLER. \$50 million. We got started in September. It was hard to get the States——

The CHAIRMAN. Nobody was hurt by having the authority to spend the additional money, were they?

Mr. MILLER. We realized at that time that we were in an expanding program, that it needed to be expanded to get the milk consumed in the schools where it was not being consumed.

The CHAIRMAN. You need to expand further if you are only reaching 50 percent of the children.

Mr. MILLER. There are many instances where you could not reach children, Mr. Chairman, regardless of the funds made available.

The CHAIRMAN. Where is that?

Mr. MILLER. There are some schools that are not interested in the program.

The CHAIRMAN. If you have no funds to supply the program they would not be.

Mr. MILLER. There are schools, also, that do not have the facilities, or do not wish to acquire the facilities to operate the program.

The CHAIRMAN. Is it not a fact that you had twice as much money as you spent in the first year?

Mr. MILLER. At that time we recognized that that amount of money would not get the participation that we thought would be desirable in the program. We would like to have used more of the money than the \$17 million in the first year but because of the lateness of implementing the program and so forth——

The CHAIRMAN. You want to stay now at \$75 million?

Mr. MILLER. Mr. Chairman, this is a reasonable amount of money——

The CHAIRMAN. Reasonable what?

Mr. MILLER. This is a reasonable amount of money, certainly, that would provide for a high level of participation on a continuing basis. Without a continuing increase of funds every year, the Department of Agriculture feels that \$75 million is a reasonable quantity of money.

The CHAIRMAN. Why did you put so much emphasis on the disposition of the dairy surplus? You have disposed of a billion dollars of dairy surplus and now you are dragging your feet on the milk program.

Mr. MILLER. We do not believe we are dragging our feet. We think that is an accomplishment. We do share the credit with everyone in this room. We don't say it was through our own efforts we were able to dispose of those surpluses. We had the cooperation of the Congress, and the entire Government.

The CHAIRMAN. And you spent \$1,500 million?

Mr. MILLER. That is correct. We had to do it. The law requires us to purchase milk products at specified sums. Under a price-support operation, we had to support the price of dairy products in an amount——

The CHAIRMAN. But you gave it away, \$1,500 million.

Mr. MILLER. We gave much of it away, yes, sir, in exports and domestically in our donation programs, when we were not able to sell it at the price that we paid the producer for it. The best price we could get was \$1,500 million less than what we had invested in it.

The CHAIRMAN. Let us keep the record right. You are not complaining about that program; are you?

Mr. MILLER. I don't know what you mean by complaining about it.

The CHAIRMAN. You said Congress directed you all to do so and so. And you have authority to reduce the support price on dairy products, now, haven't you?

Mr. MILLER. We feel that dairy products are in a relatively good balance, Mr. Chairman. We felt it was not necessary to reduce the support price on dairy products because of the relatively good balance.

The CHAIRMAN. About a billion dollars. You would not be bothered with that. Mr. Hoeven.

Mr. HOEVEN. Just to establish the position of the Department, as I understand it, you are recommending that \$75 million authorization for the current fiscal year and for a 1-year extension period, is that right?

Mr. MILLER. For the balance. I believe we have 2 more years after this one.

Mr. HOEVEN. I see nothing in your statement as to the proposed continuation of the program in that connection.

Mr. MILLER. The present authorization is \$75 million, Congressman, for each of the next 2 years and we are recommending no change.

Mr. HOEVEN. I see. Thank you.

Mr. ABERNETHY. The fact is the program has 2 years yet to run— isn't that a fact?

Mr. MILLER. That is correct.

Mr. ABERNETHY. Through 1961.

Mr. MILLER. Yes, sir.

Mr. ABERNETHY. A few years ago this program was offered as a means of disposing of the milk surplus, is that correct?

Mr. MILLER. It was one of the factors, certainly—one of the principal ones.

Mr. ABERNETHY. One of the principal ones?

Mr. MILLER. Yes.

Mr. ABERNETHY. If the milk surplus were to disappear in the next 12 months, which is not anticipated, but I presume that it might, would the Department still favor this program?

Mr. MILLER. I think we would favor it at the present level; yes, sir.

Mr. ABERNETHY. That gets me up to the question I raised a moment ago. Then why not let us establish it as a school program of the Government, instead of a part of the stabilization program. What would be the Department's attitude on that?

Mr. MILLER. I am not in a position to state the Department's attitude at this time, Congressman Abernethy. Let us review for a moment what we did recommend.

Mr. ABERNETHY. How about it personally—you personally—unless it gets you in trouble with those people down there.

Mr. MILLER. I don't think it would get us in any trouble personally. We in the Department generally feel if programs are brought into being or continued for a purpose other than support of agricultural commodities, they should not be charged to agriculture.

Mr. ABERNETHY. That is what I am driving at. In this instance it is.

Mr. MILLER. In this instance it is.

Mr. ABERNETHY. And we get criticized for it, don't we?

Mr. MILLER. I don't know about this particular one. I would say it was the least controversial.

Mr. ABERNETHY. The whole thing is put all in one basket and this big amount of money it put out here as an example of the cost of the stabilization program. So it is a part of the criticism that American agriculture is receiving today.

Mr. MILLER. A part of that money is what people look at and say, "This is what the costs are."

Mr. ABERNETHY. That is right. Now the school lunch program is not financed by drawing on the capital assets of the CCC, is it?

Mr. MILLER. No, school lunch is a direct appropriation, that is right.

Mr. ABERNETHY. It is financed directly from the Treasury of the Federal Government, isn't it?

Mr. MILLER. Yes.

Mr. ABERNETHY. For the benefit of whom?

Mr. MILLER. For the benefit of the recipients under the school lunch program.

Mr. ABERNETHY. Of the children. You have a statement here of five and one-half pages and the first five pages of it was devoted to the benefits that have come to the children of America as the result of this program, that is right, isn't it?

Mr. MILLER. Yes.

Mr. ABERNETHY. Then don't you feel that this program ought to be put on the same plane and dignified in the same manner as is the school lunch program?

Mr. MILLER. As I stated a moment ago, I cannot speak from a policy standpoint, except to say generally speaking, the Department has always felt that programs that are not for the purpose of stabilizing prices or for the benefit of the farm program should be charged where they properly belong.

Mr. ABERNETHY. And that would be to whom, in this instance?

Mr. MILLER. I am not prepared to say in this instance.

Mr. ABERNETHY. To the country as a whole, for the benefit of it. Why should it not be paid for out of the general funds of the Treasury?

Mr. MILLER. Yes, sir.

Mr. ABERNETHY. That is what I am for.

Mr. HOEVEN. If the gentleman will yield. As I understand it, your point is that if the surplus has been eliminated, that we no longer would have justification for handling it that way.

Mr. ABERNETHY. If the surplus is eliminated, the justification which resulted in the inauguration of this program is gone.

The CHAIRMAN. I think we had a dual purpose in mind when we started it.

Mr. ABERNETHY. We probably did.

The CHAIRMAN. The same as the school lunch program.

Mr. ABERNETHY. I just want to get this off the backs of my farmers.

The CHAIRMAN. Any questions?

Mr. MCINTIRE. To follow up what Mr. Abernethy was speaking of, the appropriations, that is exactly the position that you have taken in your statement, isn't it, that if this program was justified on the basis of a vehicle to bring down surplus and bring the surplus situation more nearly in balance, then on the basis of the figures as of today that has been accomplished substantially on the basis of the authorization of \$75 million.

Mr. MILLER. Yes.

Mr. MCINTIRE. That being the reason for the program, then the objective is accomplished at \$75 million.

Mr. MILLER. Yes.

Mr. MCINTIRE. And justification for further authorization moves it over into another area of justification which is not—

Mr. MILLER. We feel that as of this time \$75 million is a judicious figure, rather a good figure that would continue the consumption of milk under the program at about the level of consumption that it has enjoyed heretofore.

Mr. MCINTIRE. You go about that in the appropriations to get out of the situation of the surplus situation and move over into the situa-

tion of public policy in relation to school lunch programs in general, isn't that correct?

Mr. MILLER. Yes.

Mr. McINTIRE. In that line of thinking.

Mr. MILLER. Yes.

Mr. McINTIRE. Thank you.

Mr. JOHNSON. The Commodity Credit Corporation is still buying butter and dried milk, are they not?

Mr. MILLER. We are buying dried milk and butter, although the quantity of butter purchased in the fall was rather limited in quantity.

Mr. JOHNSON. How is that butter disposed of?

Mr. MILLER. We are disposing of it through the school lunch program and through the——

Mr. JOHNSON. Are you giving a lot of the dried milk away?

Mr. MILLER. Yes, through the donation programs.

Mr. JOHNSON. Don't you think it would be better to give this milk to the schoolchildren than to have this dried milk and butter to dispose of in other channels?

Mr. MILLER. A great deal of the dried milk is acquired in the form of——

Mr. JOHNSON. Which do you think would be best, butter and dried milk, or giving milk to the schoolchildren.

Mr. MILLER. A lot of this milk that comes to us in the form of dried skim milk would never be available in the form of fluid milk because it is from a different——

Mr. JOHNSON. There is a lot of fluid milk that you make into butter and dried milk today.

Mr. MILLER. There is some being made into butter. I don't know how much is made into dried skim milk today. There is some quantity. People are getting away from the hand separator and shipping whole milk into the manufacturing milk plants.

Mr. JOHNSON. How would you rather have it, in the form of butter and dried milk, or would you rather give it to children?

Mr. MILLER. That is a little bit hard to say. I am trying to point out that there are two different products. I don't think we have that——

Mr. JOHNSON. Do you not grant that there is an excess of class 1 grade A fluid milk in the country that has to go into dairy products?

Mr. MILLER. We just said we felt that this surplus has been reduced. It is moving.

Mr. JOHNSON. It is still available.

Mr. MILLER. Very limited quantities, though, in the form of fluid milk.

Mr. JOHNSON. In Wisconsin there is a lot of milk going into dried powder that could just as well be used for fluid milk. I think that is true in Minnesota, too.

The CHAIRMAN. It seems to me that Mr. Johnson has asked you a very pertinent question. How can you justify buying milk and processing it into butter when you could just take the milk and give it to the schoolchildren under this program?

Mr. MILLER. Mr. Chairman, in using more than \$75 million for a school milk program I don't know that you will increase the quantity

of milk that will be consumed in the schools and thus prevent us from taking milk in the form of butter.

Mr. JOHNSON. I don't believe any of the milksheds now are using all of their class 1 grade A milk for bottle milk. A lot of it is going into butter and other products.

Mr. MILLER. That is true. I just asked Mr. Wells if he had any comments to make with respect to this. That is true. There is some milk being produced in the fluid milk areas that finds its way into butter and into dried skim milk. But let me point out that this is a seasonal thing, Congressman Johnson, and that if you tried to supply only the amount of milk in a fluid area that that area could consume at all times, the maximum amount, you would have a period of deficit production. This is overrun milk.

Mr. JOHNSON. I don't believe Mr. Miller has answered my question. I don't think he intends to. I would like to ask Mr. Garber a question.

Mr. MILLER. All right.

Mr. JOHNSON. Or Mr. Davis. You people administer the program; is that correct?

Mr. GARBER. Yes.

Mr. JOHNSON. Could you tell me just what a State could do to cut down the expense?

Mr. GARBER. Well, it would be necessary for them to cut the cost of reimbursement, say, from 4 cents to 3 cents, or from 3 cents to 2 cents. That would be one way that it could be done.

The second way would be that they would run the program until the amount of funds that they had allocated to them would be exhausted. Then they would have to stop the program. It would have to be one of those two things.

Mr. JOHNSON. If a State tried to stay within its funds, would that tend to cut down on milk consumption in the schools?

Mr. GARBER. I think that the Department's position, Congressman Johnson, is that the same impetus can be maintained in this program by cutting the rates of reimbursement, for instance, from 4 cents to 3 cents, and from 3 cents to 2 cents, and by that method, we could pick up additional money.

Mr. JOHNSON. According to Mr. Gunderson's testimony the ones who will stop drinking milk will be the low-income children who cannot afford it. Am I right on that?

Mr. GARBER. From the reports that he quoted, that is the way it would appear.

Mr. JOHNSON. Will you not have a shortage of funds for the summer camps? You won't have any money available until next July when they start in June.

Mr. GARBER. Mr. Gunderson is in charge of a rather large program in the State of Wisconsin. In that particular State the State director could have the option of saving money for the summer camps or going ahead and if he runs out, then he would not have any money left for the summer camps.

Mr. JOHNSON. Then he would have to cut down on the school milk program for the balance of this year, in order to take care of the camps.

Mr. GARBER. He would have to reduce the funds.

Mr. JOHNSON. Suppose you get through this year without too much trouble, what are you going to do for next year or the year after?

If you cut it down to \$75 million this year, and if we are going to keep the program going, you will need more money for 1960 and 1961.

Mr. GARBER. Then we in the Department would have to take the position that we would have to instruct the States to stay within what they have. And again, it would require a reduction in the reimbursement amount.

The CHAIRMAN. Then you would prevent expansion of the program in that situation, wouldn't you?

Mr. POAGE. And you would go right ahead and buy processed milk products in larger quantities before you would buy this fluid milk, wouldn't you?

Mr. GARBER. Of course, there are so many factors that enter into that, the amount of home consumption, and all of that.

Mr. POAGE. You have already said that you would buy these products. That went into effect last week. You would buy at a price.

Mr. GARBER. That is right.

Mr. POAGE. To support the price of milk?

Mr. GARBER. Yes.

Mr. POAGE. It is possible to support the price of milk by buying processed products. It costs something to process that milk, does it not?

Mr. GARBER. It certainly does.

Mr. POAGE. Who pays for it?

Mr. GARBER. The Government pays for it.

Mr. POAGE. Certainly. Why then should we refuse to move this fluid milk at a lesser cost, rather than buy it back in processed form at a considerably higher cost—and then give away the products?

Mr. GARBER. Our position is that perhaps by the small reduction of the reimbursement we could accomplish the same thing that we are presently doing.

Mr. POAGE. But you can't escape the fact that you buy processed milk.

Mr. GARBER. Yes. We are committed to do that; yes, sir.

Mr. POAGE. And you buy those products and give them away, as you have given away a very substantial amount.

Mr. GARBER. We certainly have.

Mr. POAGE. All right. It costs the Government more than it would cost to make this 3 or 4 cent contribution to the fluid milk program, does it not?

Mr. MILLER. I would rather Mr. Wells answered that question. There are two things here, I think, that you want to take into consideration.

First is that we do not think that the participation in the program will decrease with a reasonable adjustment.

No. 2 is that we have an overall increase in milk consumption in the United States at the present time due to the increase in the population.

I don't think it is necessarily a correct assumption to say that a reduction in the moneys given to the program will in the first instance cause a decrease in consumption of milk in schools. Nor in the second instance will it cause more products to be purchased under price supports.

MR. POAGE. You will admit, will you not, that the increases in the consumption of fluid milk, whether it be a school lunch program, a school milk program or just general sales of fluid milk, any increase in the consumption of fluid milk decreases the amount of milk products that you have to buy.

MR. MILLER. That is correct. Any increase in consumption will mean that.

MR. POAGE. That is right.

Now then, if we could increase the consumption of fluid milk through this school milk program we could do it somewhat cheaper than we do by disposing of the milk products under the support program, couldn't we?

MR. MILLER. I will let Mr. Wells answer that question. He has the figures on it.

MR. WELLS. I think I am correct in saying that a half pint of milk is about one-half pound of milk.

MR. POAGE. I believe so.

MR. WELLS. Which means we pay 4 cents to the school lunch schools and 3 cents to nonschool lunch or about, say, $3\frac{1}{2}$ cents per each half pint. This means it costs us almost 7 cents a pound to move it into the school lunch in small containers, whereas under the support price program the cost is approximately 3 cents a pound before adding processing costs, perhaps 4 cents in terms of processed products.

Actually, so far as dollars and cents are concerned it cost the Government $1\frac{1}{2}$ times as much to move it in half-pint containers to school children as it does to pick it up in the processed form. I am not arguing with you. It is more costly and not cheaper to move it this way.

MR. MILLER. Could I say something that may answer Mr. Johnson.

MR. POAGE. When you do that, of course, you lose all of the advantage that has been discussed here as you suggest in five pages as to domestic use and a half page otherwise.

MR. WELLS. I agree.

MR. POAGE. You are willing to abandon all of that when you accept that policy?

MR. WELLS. It is not cheaper. It actually costs more.

MR. JENNINGS. Will you yield there? I think perhaps we have lost sight of one point. That is, it may cost you 3 cents a pound to purchase it, but not to dispose of it.

MR. WELLS. Yes.

MR. JENNINGS. You have to process it and store it and give it away or whatever you do with it. There is a difference in the fluid milk because that is the actual disposal program. That is what it costs in the final analysis. This other is what it costs you in the purchase price. There is a great difference; is there not?

MR. WELLS. There is a difference.

MR. POAGE. I think we understand Mr. Wells' answer. From the bookkeeping standpoint, of course, that is correct, but do we justify this program on the basis simply of disposing of milk or do we justify it on the basis of benefiting schoolchildren?

MR. MILLER. We have thus far justified it, as we said a moment ago, from both angles or from the price support angle and benefiting the schoolchildren. Now we have reached the problem——

Mr. POAGE. How much weight do you give to one or the other? How much weight do you place on benefit to the schoolchildren? You have that in your statement. How much of it do you place to the credit of the schoolchildren and how much do you give to removing the surplus?

Mr. MILLER. I don't know that we have ever allocated it to either one or the other.

Mr. POAGE. You have to, to give an answer as to what our costs are, don't you?

Mr. MILLER. Let me say this: I want to answer Mr. Johnson's question over here a moment ago when he said this is not a determining factor of whether we are going to allocate \$75 million, whether we are going to recommend that we not allocate more than \$75 million. If it comes to whether we would rather have our "druthers," of milk going into the schools or going into the CCC inventory, as Mr. Johnson pointed out, I don't think anyone would hesitate a moment to say they would rather have it go into the school programs.

I will go back to my statement that I made a moment ago, Mr. Chairman, we feel that \$75 million will maintain the present level of consumption of milk in the school milk program. And that in view of the increase in population and other factors that come in, the fact is that if we don't increase the \$75 to \$80 million, this will not of itself result in any increase in takeover in CCC stocks.

Mr. POAGE. May I pursue Mr. Wells' answer just a moment, to arrive at an understanding. You are buying milk at a price which returns to the farmer approximately $3\frac{1}{2}$ cents. Now that is the price the farmer gets for the raw milk, but you don't buy the raw milk. You buy the processed product. Somebody spent money processing it.

My little experience with processing dairy products is that the processor gets more than the producer.

What do you pay for those processed products that represent 1 pound of milk? You pay a great deal more than $3\frac{1}{2}$ cents.

Mr. WELLS. I was thinking around 4 cents. I would have to check.

Mr. POAGE. Do you mean that you can get a pound of milk processed into dry milk or into butter for less than a cent a pound?

Mr. WELLS. It is fairly economical, I think.

Mr. MILLER. We will get the figures for you.

(The information is as follows:)

On the basis of current price support levels for dairy products it is estimated that total Federal Government costs for the purchase and donation of 100 pounds of milk (3.7 percent butterfat) in the form of butter and nonfat dry milk solids amounts to \$4.31. This figure includes the cost of the product, storage, and packing costs, and transportation to the States for local distribution. The cost for purchase and donation of 100 pounds of milk in the form of cheese is estimated at \$3.79. The cost to the Government of moving 100 pounds of fluid milk through the special milk program is estimated at \$6.51 per hundredweight. The details of these estimates are set forth in the table below.

Based on nationwide average prices for the calendar year 1958, the purchase and donation of dairy products yielded producers \$3.16 per hundredweight of milk against the Federal cost of \$4.31 for butter and nonfat and \$3.78 for cheese. On the other hand, the movement of 100 pounds of fluid milk through the special milk program yielded producers around \$5.39 against a Federal cost of \$6.31 (but schoolchildren also contribute to the cost of the special milk

program, about 3 cents per half pint or the equivalent of \$5.58 per hundred-weight of fluid milk).

Estimated cost of moving 100 pounds of milk through purchase and distribution in the form of products compared to estimated cost of moving 100 pounds of milk through the special milk program

Butter and nonfat milk (100 pounds of milk testing 3.7 percent):

Yield and price:	
4.5 pounds butter, at 57.75 cents_____	\$2. 60
8 nonfat dry milk pounds, at 14.25 cents_____	1. 14
Total_____	3. 74
Transportation to storage:	
Butter, 4.5 pounds, at 0.35 cent=0.02_____	} . 05
Nonfat dry milk, 8 pounds, at 0.4 cent=0.03_____	
Storage:	
Butter, 4.5 pounds, at 1.5 cents=0.07_____	} . 13
Nonfat, 8 pounds, at 0.75 cent=0.06_____	
Printing and packaging:	
Butter, 4.5 pounds, at 1.4 cents=0.06_____	} . 22
Nonfat, 8 pounds, at 2 cents=0.16_____	
Transportation to distribution, domestic:	
Butter, 4.5 pounds, at 2 cents=0.09_____	} . 17
Nonfat, 8 pounds, at 1 cent=0.08_____	
Total_____	4 31
Cheese (100 pounds milk testing 3.7 percent milk yield 10 pounds of cheese):	
10 pounds cheese, at 32.75 cents_____	3. 275
Transportation to storage: 10 pounds, at 0.035 cent_____	. 035
Storage: 10 pounds, at 1 cent_____	. 10
Cost of processing: 2.5 cents_____	. 25
Transportation to domestic destination: 10 pounds, at 1.25 cents_____	. 125
Total_____	3. 785

Fluid milk—Special milk program use

100 pounds fluid=46.5 quarts=186 half pints: Federal cost, at 3.5 cents per half pint_____ \$6. 51

Mr. POAGE. I would be very much interested in them because when the consumer buys any of these products there is a great deal more processing cost than there is payment to the producer.

Mr. WELLS. That is quite true. In all fairness, a large part of the butter and cheese and dry skim we buy are processed by relatively small operators, and their processing cost is quite economical.

When you begin to add transportation and wholesaling and retailing, then you run the price up very materially.

But Mr. Jennings is right. We also repackage and distribute it and it adds some cost to it.

I am still under the impression that this is a higher cost outlet. The farmer gets more for class A milk than he does for manufactured milk, which is quite true.

The CHAIRMAN. How much have you spent for dairy products in the last 6 months?

Mr. MILLER. I am sorry, I couldn't say.

The CHAIRMAN. Can you get that information for the members of this committee?

Mr. MILLER. We will supply it.

(The information is as follows:)

During the 6 months September 1958–February 1959, which normally is the period of seasonally low production and purchases, the Department contracted

to buy with Commodity Credit Corporation and section 32 funds, 32 million pounds of butter, 7 million pounds of cheese and 258 million pounds of nonfat dry milk at a total purchase cost of about \$61 million.

During the same September–February period, CCC incurred obligations to spend about \$12 million in the special program to increase the consumption of milk by military personnel, Veterans' hospital patients, Coast Guard, and Merchant Marine Academy.

Mr. PIRNIE. With respect to the fiscal prospects for the balance of this year, if I understood your testimony correctly, you thought there might be some margin as a result of several of the States not using the allotted funds; is that correct?

Mr. MILLER. In some of those States there will be some margin. Whether there will be a margin in the overall or not, depends on how much we get.

Mr. PIRNIE. That is available—the availability of that excess in one State is available toward making up the deficit in another. As I understand, your overall figure is \$75 million.

Mr. MILLER. Yes.

Mr. PIRNIE. And you can spend up to that amount for this purpose. And the allotment to individual States may be exceeded if there is need, is that correct?

Mr. MILLER. No; the allotment to the individual States cannot be exceeded.

Mr. PIRNIE. Then there isn't any margin for the individual States if they exceed their allotments?

Mr. MILLER. No, sir.

Mr. PIRNIE. Then anything that represented the difference between the requirement of the State and its allotment would be a saving of the funds, is that correct?

Mr. MILLER. That is correct. It could be recouped.

Mr. WELLS. So far as we are able to administratively find those States that will not spend their full allotment, we will ask them to return it to us and allot it to the States which are short.

Mr. PIRNIE. Would there be any practical advantage in that? Because you would learn that too late from a State that has readjusted its program.

Mr. WELLS. This is a very tough administrative program because you allot the money to each State and they allot it to each school but fiscally you must stay within your allotment. Administratively, so far as we can find, some States are not going to spend their full allotment. The money will have to be returned and it will be allotted to the States that are running short.

Mr. PIRNIE. Will that be accomplished in time for a State to have sufficient knowledge of that so as to exceed its present allotment without running the risk of being obligated to bear that entire deficit itself?

Mr. WELLS. The answer is "Not necessarily." Administratively we do the best we can. We have 48 States to work with. Each State superintendent has a whole flock of schools to work with. He has the same problem between the individual schools, each of which must stay within their allotments.

Mr. PIRNIE. If I understand the table, in New York they have a deficit there. We will say \$202,000. Then if they are participating in the program, their only alternative will be to readjust the quota.

Mr. WELLS. That is exactly right.

Mr. DIXON. The Department has been criticized for its expenditures. That is a matter of our congressional and public records.

This is another instance of where there is probably an intent to make you spend more than you desire to spend. Is that not right?

Mr. MILLER. Yes, sir. We feel again the \$75 million is an equitable sum, a reasonable sum, to spend to meet our requirements.

Mr. JOHNSON. Do you think we should start on the school children, though, in making cuts?

Mr. MILLER. We don't think we will do that.

Mr. DIXON. You wait until the next question, my colleague: Is it not the fact that you are skittish about the expenditure, spending more than you need to, for commodity stabilization?

Mr. MILLER. We evaluate and attempt to be as conservative as we can and do not overspend. That is correct. If I understand your question.

Mr. DIXON. You need about \$77 million, you said. You only recommend \$75 million. It is apparent that you feel that your responsibility is finished as soon as you stabilize prices and bring supply and demand in balance, which \$75 million will do.

Mr. MILLER. Yes, sir; that is right.

Mr. DIXON. If all over the amount which is the \$75 million, we will say, were charged to some other agency, like welfare, where it belongs, then you would not object to our giving the schoolchildren more, would you?

Mr. MILLER. Personally, I would not. I am not in position to say at the present time about others.

Mr. DIXON. That is all.

Mr. QUIE. If the States made use of all that they considered their needs to be, they would be \$3,370,000 short?

Mr. GARBER. Yes.

Mr. QUIE. From the experience of other years, how close do the States come to their estimated needs?

Mr. MILLER. Mr. Garber can answer. And this is a very important question, I think. I hope you will take this as an indication of why we used this \$75 million figure.

Mr. GARBER. The estimates were made on the statement from each of the States on the basis of expenditures through the month of December.

Now, we recently have had the opportunity of looking at some of the January statements. And the rate of increase during the month of January is not as high as it was in December. So my real guess—and it is a guess—would be that the \$75 million could just about hit it on the head this particular year.

Mr. QUIE. How about your experience in other years? Were the estimated needs similar?

Mr. GARBER. Yes, sir; but this program can fluctuate. For instance, if the flu goes through an area and the kids are not in school, or if there are heavy snowstorms or things like that, it can really fluctuate. But we have been able to figure it fairly close. It is difficult, however.

Mr. MILLER. In other words, there is a cushion there that we take into consideration, the fact that a State will put in its overall estimate a figure that it thinks it will use and some for a cushion.

Mr. WELLS. This thing happened about a year ago, and the Congress did increase the authorization so we would be sure to satisfy all of the needs. Yet the actual expenditures, Mr. Davis, fell within the funds we had at that time.

Mr. DAVIS. As I recall that occurred while we still had the maximum authorization of \$50 million and the Congress, on the basis of the States' indications increased that \$10 million, to a total of \$60 million. We finally wound up with spending about \$46 million. So that we did stay within the original authorization, but I don't think we are attempting to minimize the problem of reallocating this money among the States, recapturing it from some States and giving it to others. It will be nip and tuck this year. But I think very likely, as Mr. Garber has said, that it will finally wind up below the \$75 million.

Mr. QUIE. That didn't harm the operation at all when you were appropriated \$10 million more than you needed at that time; it should not harm the budget operation now. What harm would it be if we appropriated more and you didn't have to use it? Would it not make your administrative problem easier if you had that \$5 million extra?

Mr. DAVIS. That is correct.

Mr. QUIE. You say there would be no increase in consumption if we did appropriate additional money, say, an extra five for the next fiscal year. Why would there not be an increase in consumption?

Mr. MILLER. I don't know. I didn't intend to say that if you did appropriate money you might not get some increased consumption. I made the statement that I thought that under the \$75 million, we thought we could maintain the present rate of consumption.

Mr. QUIE. Say a school estimated that it would have up to 4 cents replaced on a half pint of milk by the Federal Government, and then anticipated that for the school year and they budgeted their operations on that, would it be prorated against them or how would it be handled?

Mr. MILLER. They would have to reevaluate and pull the rate down in their own budget.

Mr. QUIE. That would create a difficulty on their part, too.

Mr. MILLER. Yes.

Mr. QUIE. Do you feel that there is any problem with the replacement of normal milk consumption by the special school milk program?

Mr. MILLER. Oh, maybe some. I don't think it is a big item. That is just an opinion of mine. I think you will have to consider—

Mr. QUIE. Then actually the entire amount could be considered extra consumption of fluid milk.

Mr. MILLER. I think it would be safe to say that it would be for all practical purposes.

Mr. QUIE. If we were going to increase this program, we would be increasing consumption of fluid milk.

Mr. MILLER. Again, I don't know how much increased consumption you will get. I think we will be able to maintain the level at the present time.

Mr. QUIE. That is all. Thank you.

Mr. POAGE (presiding). Before we go any further with the departmental witnesses we have several colleagues who are here that I know want to be on the floor.

Mr. LAIRD. I request permission to present a statement later.

Mr. POAGE. Without objection that may be done along with those of our colleagues.

(The statements are as follows:)

STATEMENT OF HON. MELVIN R. LAIRD, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF WISCONSIN

I fully support the Johnson-Laird bills pending before this committee to make additional funds of the Commodity Credit Corporation available to meet the needs of the special milk program.

According to the table submitted by the Department of Agriculture, well over half of the State agencies feel they do not have sufficient funds to operate the program in schools throughout the end of the school year and to take care of the June operations in summer camps. I understand the point made by the Department of Agriculture that some of the States subsequently may spend less, but States must plan on the basis of their best expectations.

Gordon Gunderson, who heads up the program for the State Department of Public Instruction in Wisconsin, has already indicated the actions open to State agencies which anticipate a deficit. Any one of those actions, it seems to me, means curtailed consumption this year and next year, too.

My own bill, H.R. 5413, would increase the authorization to \$80 million this year and then provide an additional \$5 million for each of the next 2 fiscal years. There is an immediate need to reassure States that funds will be available to meet all of this year's needs. But, we need also to take early action with respect to the program for next year. School people do not start to plan their programs when school opens in the fall—they must be all set to begin operations by that date. Actually, I would think that the Department of Agriculture should be in a position to outline next year's program to the States by late April.

This program has been remarkably successful. I understand that a milk service is now available to about three out of every four children in school and that about half the children in school are regularly drinking milk with the school lunch or under the special milk program. That is a fine record, but it also means that we have not yet exhausted the full potential of the program. It is no time to be trying to reduce or even stabilize it. As long as the Department needs to buy surplus dairy products, we should continue full efforts to move that milk in fluid form to our young children. That is much better for children and much better for dairy producers.

The 2 billion half-pints of milk that moved under this program last year had a healthy influence on children, helped reduce Government purchases of manufactured dairy products, widened fluid markets, and helped form the milk-drinking habit among our young people.

The Congress needs to take early action to see that these benefits are continued in full effectiveness.

STATEMENT OF HON. CLEM MILLER, FIRST DISTRICT OF THE STATE OF CALIFORNIA

Mr. Chairman, thank you for the opportunity to state briefly my support of the legislation you are considering to remedy the indicated deficiency in the school milk authorization for the balance of this fiscal year.

I am advised that if your committee acts favorably, the program in California and other States will not have to be cut off before the end of this school semester. I understand the administration proposes no increased authorization this year.

I believe this is one of the most worthwhile of our agriculture support programs, especially because it enhances the health of youngsters who otherwise would not get enough milk to drink and because it does not affect the price consumers pay for milk.

For California, I understand that the State department of education and State dairy industry advisory board estimate that the existing authorization is approximately \$680,000 short of meeting the estimated need through June 30, 1959.

I understand the legislation before you would provide these funds. I urge favorable action by your committee. Thank you.

STATEMENT OF HON. ROBERT W. KASTENMEIER, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF WISCONSIN

Mr. Chairman, I want to take this opportunity to thank you, the chairman, and the members of the Committee on Agriculture for the prompt attention given to the legislation introduced by me and a number of my colleagues. Then, I also want to thank you for permitting me to appear in behalf of my two bills, H.R. 5407 and 5408.

It is my sincere feeling, and I am sure that most of you will agree, that it is vitally important that the children of our country be provided with a sufficient amount of wholesome milk in order to strengthen their bodies as they grow to maturity and take their rightful places as citizens in our democratic society.

Yet, we have been hearing recurring reports that the special milk program for schools and camps will be without funds before the end of the current school year. To permit this milk program to come to an abrupt halt in the middle of the school year, even though we have a plentiful supply of milk, because we do not have the funds available, is grossly unfair to the children who have come to learn and appreciate the wholesome values of milk.

The U.S. Department of Agriculture has reported that its survey shows that 37 States may be forced to curtail operations in this special milk program unless more funds are made available. My own State of Wisconsin, which has a \$2,109,633 appropriation for the current fiscal year, requires an additional \$102,097 if it is to carry out the milk program through June 30.

The children of Wisconsin and the 36 other States that have this problem are deserving of an adequate supply, and I further feel that it ill behooves spokesmen for the very same Department of Agriculture which has pointed out this shortage to tell you now that it does not need the funds.

My bill, H.R. 5407, calls for a \$5 million increase to enable the program to continue through the current fiscal year, and my second bill, H.R. 5408, provides for an increase in annual appropriations from \$75 million to \$85 million for the fiscal years of 1960 and 1961.

These are worthy bills which are designed to fulfill a most deserving need. I urge you, Mr. Chairman, and you, the members of this distinguished Committee on Agriculture, to help build a stronger United States by providing a sufficient supply of wholesome milk to our children.

And I further add that we are much wiser to use Commodity Credit Corporation funds to buy milk for our schoolchildren than to use these funds to purchase for storage a large amount of surplus butter, cheese, and dry milk.

Mr. POAGE. I wonder, Mr. Roosevelt, if you might wish to make a statement.

STATEMENT OF HON. JAMES ROOSEVELT, A REPRESENTATIVE IN
CONGRESS FROM THE 26TH CONGRESSIONAL DISTRICT OF THE
STATE OF CALIFORNIA

Mr. ROOSEVELT. Very briefly. I just wanted to reemphasize the question that Mr. Pirnie brought out.

We in California have very much the same problem. I think Mr. Wells stated it correctly when he stated that there was an administrative problem.

We will be short, without any question. We will need more. And they will not be able to notify us, if I gathered the import of his answer correctly, soon enough for us to do anything about the problem which will make us shut down the whole problem for, probably, a good part of May and all of June.

Therefore, it seems to me that the logical answer is to increase the amount, if they cannot take care of it in an administrative fashion, so that in the large States such as New York and California we may actually get this program and continue to have it go. Otherwise, it will be bound to affect everybody all the way down the line.

I would hope that the committee would perhaps put some more weight on the administrative angle to find out why, or else ask them if they cannot find some administrative way to let us know if there are surpluses in other States that are not using their allotments, so they will have it available to be made available to those areas where it is needed, where we know it is needed, and where I think the Department will agree that they know it is needed also.

So, Mr. Chairman, I am simply here to say that.

I support these statements by the Department's letter to me in which they simply say that participation in a number of States, including California, has increased in excess of the funds allocated to them.

And then they go on to say, however, under agreement—which has been brought out, of course—with the States, the States are obligated to maintain their programs within the funds available to them.

And then it concludes, that although some State agencies on later analysis based upon actual expenditures for January and February, may find that they will not need all of their share for the apportioned reserve, no assurances can be made with regard to the amount of additional funds that may become available in that matter.

So that leaves the State of California where we have a State law which requires 10-day notice to the localities—it leaves them in the position that they have got to notify the localities that the program is going to be cancelled. And then there is the administrative problem, we cannot pick it up again.

It would seem to me that there is a challenge to the Department if they have funds available to work it out administratively. And if not, if they need greater appropriations, then I would certainly be strongly for the bill introduced by Mr. Johnson and Mr. McGovern and, probably, others which would give them the assurance that they could do this, so that they would get the result accomplished.

So speaking as a nonfarmer but, certainly, nonfarming areas are vitally interested in it, that is why I have asked permission to emphasize this.

Mr. POAGE. We thank you.

Mr. JOHNSON. I wanted to ask the Department, has any word gone out to the States that you are cutting down on the special school milk program?

Mr. GARBER. Mr. Johnson, the States have been notified of the additional money that will be given to them on or before May 1st, and have been instructed, as they know, to stay within what they have allocated to them.

Mr. ROOSEVELT. May I comment on that? The State of California has been notified that their share of the reserve is \$429,944, which is not enough to meet the demands which will then under this ruling automatically mean that this program ends early in May.

Mr. POAGE. Thank you very much.

Mr. PIRNIE. Mine is the same as the gentleman's from California. This program as it was launched for the State to participate, particularly, in regard to where a larger percentage of that is by the State. And it does as much good as any other program. So they are maybe penalized for giving enthusiastic support to this program, when at the same time, they are asked to make available funds when there are funds available in the \$75 million appropriation. That would be unfortunate if they were to cut back. Then we would find ourselves with expenditures of, we will say, \$74 million or less.

Mr. MILLER. This we try to avoid. I will let Mr. Wells answer that, the technical question. This we try to avoid to the best of our ability.

Obviously, as stated here before, in many instances we are unable to recapture the money, to reallocate. Yes; I think it is unfortunate. That is something that we attempt to avoid wherever possible.

As stated in the letter to Congressman Roosevelt, there can be no guarantee that any recoupment can be given back because of the administrative problems.

Mr. ROOSEVELT. If it became the policy that you knew you had \$76 million or \$80 million, then you could make that allocation because you would know that the funds were there.

Mr. WELLS. Let me say this, presently it would be unfortunate if we had to, as I state, discontinue or substantially curtail the school milk program and wound up not spending the \$75 million. Yet when you allocate funds to the 48 different State funds and then the States allocate them to schools, each State school lunch director is faced with this same problem within his State of seeing to it certain schools, in effect, hold out or obligate more of the funds while other schools are short.

It is quite true that you get a maximum consumption if you had a program easy to program, but of all of the programs we administer in the Agricultural Marketing Service this is almost the only open-end program that I know of, where you say, "We will reimburse you for each half pint of milk." Actually, we say that is the maximum, not to exceed that on their school lunch funds. They most assuredly have the problem, they must have it in their budget. They don't know how many school lunches they will serve at the beginning of the year, how many surplus commodities they will get. This creates a very difficult administrative problem.

I think we should recognize, as compared to most other Government fiscal programs, this program to date has been one of encouraging increases. And administratively it has been extremely simple.

And if you solve the problem this year, then as Mr. Miller pointed out, you have set the stage for a further increase next year and the year after. I think that is the problem Mr. Miller is concerned with, to get out of this present administrative problem. It is a tough administrative problem.

All we can say is that we will do the same and the States will say they will do their best. You then set the stage for a further increase and the year following that.

Mr. PIRNIE. You have some administrative problems in this allocation; and conceivably there will be unused allotments?

Mr. WELLS. As Mr. Miller has pointed out, you solve that problem by setting the stage for an increase the next year and the year after.

Mr. PIRNIE. Whether the program should stand on its merits, then you come back to that question, or whether it is simply an agricultural program?

Mr. MILLER. Yes.

Mr. WELLS. We would not spend more than \$75 million this year but we would spend more next year and the year after.

Mr. POAGE. Any further questions?

Mr. SHORT. Do I understand this premise correctly that just because Federal funds are not available that the program may not be necessarily curtailed if they run out—it would be up to the State or local school district to provide the funds to carry on the program?

Mr. MILLER. They could do so very readily.

Mr. SHORT. There is no reason why they should not, if it is a desirable program?

Mr. MILLER. No, sir.

Mr. POAGE. Anybody want to answer that question?

Mr. MILLER. I said there is no reason why a State could not participate.

Mr. JOHNSON. With a guarantee that they would be paid for it?

Mr. MILLER. Up to the maximum.

Mr. POAGE. Are there any further questions? If not, do I understand that you gentlemen are going to give us some figures showing the cost of the processing and showing just what your processor products cost you?

Mr. WELLS. Yes; we will do our best to do that. I will try to get some distribution costs.

(The information may be found in the table on p. 10.)

Mr. POAGE. Is there anyone else that wants to testify to this bill?

Mr. HEALY. I was scheduled to testify.

Mr. POAGE. Do you want to testify?

Mr. HEALY. Yes, sir. Not necessarily today. I will be glad to come back tomorrow.

Mr. POAGE. We will have to pass this measure sometime soon if it is going to do any good. You have a prepared statement, Mr. Healy. Mr. Murray called my attention to the fact that you have a prepared statement. Would you want to read it?

Mr. HEALY. I would like to talk about it a little bit.

Mr. POAGE. I am going to suggest that Mr. Johnson come back and hold a session this afternoon at 2 o'clock, at which time Mr. Healy will be heard. Permission is granted to insert in the record at this point a statement from Congressman Jeffery Cohelan, and one from Congressman John J. McFall.

(The statements are as follows:)

STATEMENT OF HON. JOHN C. McFALL, 11TH DISTRICT OF THE STATE OF CALIFORNIA

Mr. Chairman, I appreciate this opportunity to appear today in support of legislation to increase the authorization for use of Commodity Credit funds to encourage consumption of milk by schoolchildren.

If your committee does not take favorable action, I am advised that the school milk program will be cut off in California and other States next month.

The school milk program is one of the very best of the many agriculture support programs, particularly as it relates to the health and well-being of children who otherwise would not have the opportunity to obtain an adequate supply of milk.

Most of the schools in the 11th District of California now participate in this program and many have told me of the specific good it does in case after case, particularly in the poorer districts. A side effect is the help the program gives our dairymen.

I am told that participation in the school milk program in California has developed according to the following pattern, which demonstrates its approval and acceptance: 1956, \$4,014,284; 1957, \$5,412,500; 1958, \$5,952,650; 1959, \$7,211,352.

According to estimates as recent as 10 days ago it will require some \$7,892,289 to carry out the support program in California throughout the balance of the school year, or some \$650,000 more than is now available.

I understand that the administration favors holding the national program at the current \$75 million annual level this year and again in fiscal 1960. I strongly urge you to act today to approve an \$80 million program for both of these years.

Among those who have asked to have their voice heard here today in support of the increased program are: B. W. Gripenstraw, district superintendent, Oakdale Union School District; Virginia Ferguson, Star Route, Hickman; Mrs. John R. Thompson, Roberts Ferry School, Hickman; W. A. Gustafson, secretary, board of trustees, Orestimba Union High School, Newman; Mrs. Hollis Warner, Star Route, Hickman; Forrest L. Brown, district superintendent, Riverbank School District, Riverbank; Ivan Larsen, district superintendent and principal, Patterson Union High School, Patterson.

STATEMENT OF HON. JEFFERY COHELAN, SEVENTH DISTRICT OF THE STATE OF CALIFORNIA, ON BEHALF OF H.R. 5247, FOR ADDITIONAL FUNDS FOR SPECIAL MILK PROGRAM

Mr. Chairman and members of the committee, thank you for giving me a moment to advise of my support of legislation calling for additional funds for the special milk program for the balance of this fiscal year.

The value of this program is shown nowhere to a greater extent than in the State of California. I am very anxious that young people in my State and in all other States have the opportunity to participate in this program. They will not continue to do so, unless new funds are provided.

James N. Fulmor, of the Dairy Industry Advisory Board of the State of California Department of Agriculture, advised me by letter March 12, 1959, as follows:

"* * * for maintaining the health of our youngsters, it seems essential that California be allotted the funds needed to complete our moral obligations for the remaining part of the school term."

Mr. Fulmor's office advised that the State department of education estimates that another \$680,936 will be needed to carry the California program through June 30, 1959.

On March 13, 1959, Mr. L. A. Maes, of the Alameda County Milk Dealers' Association, advised as follows:

"We understand that present funds would run out May 9, 1959. The amount required to continue the program through June 30, 1959, is \$1,110,000. Subsequent to the request for the above amount, a special allocation of \$430,000 was made by the Department of Agriculture, reducing the amount required to approximately \$681,000."

Gentleman, I understand that the legislation before you today would provide additional funds in the amounts referred to in the letters I have cited.

May I very simply urge favorable action on this legislation by your committee. Thank you.

Mr. POAGE. The committee will stand in recess until 2 o'clock this afternoon.

(Whereupon, at 12:15 p.m., the committee recessed, to reconvene at 2 p.m. of the same day.)

AFTERNOON SESSION

Mr. POAGE (presiding). The committee will please come to order. Mr. Healy, you have a statement?

Mr. HEALY. Yes, sir.

Mr. POAGE. You may proceed.

STATEMENT OF PATRICK B. HEALY, ASSISTANT SECRETARY, NATIONAL MILK PRODUCERS FEDERATION, ACCOMPANIED BY N. J. POST

Mr. HEALY. I would like to introduce Mr. Post, who will participate with me in this statement, and ask your permission to file the statement which I have and to comment on some of its highlights.

Mr. POAGE. Without objection you may have that privilege.

(The prepared statement is as follows:)

STATEMENT OF PATRICK B. HEALY, ASSISTANT SECRETARY, NATIONAL MILK PRODUCERS' FEDERATION

Mr. Cooley, members of the committee, my name is Patrick B. Healy. I am the assistant secretary of the National Milk Producers Federation. Our offices are at 1731 I Street NW., Washington, D.C.

The Federation is made up of cooperatives whose membership is dairy farmers. Therefore, the Federation speaks only for producers. At the present time, there are over 800 dairy farmer cooperatives in the Federation with a combined producer-membership of over 500,000 families.

We want to thank you for this opportunity to appear before the committee and support efforts to assure adequate financing for the special milk program for children.

Since its inception in 1954, the program has continually progressed—a real tribute to congressional leadership and cooperation among Federal, State, and local agencies, school officials, and parents. Reference to program statistics shows that the objectives set by the Congress are being realized—more milk is being consumed in schools and in child-care centers and summer camps and, therefore, the acquisition of dairy products by the Commodity Credit Corporation has been directly decreased. This means that more children are getting more milk in school than ever before. It means that costs for purchasing and storing dairy products under the price-support program are lower. It means that more children are developing the habit of including milk in their diet. It means that children, through this program, are improving the nutritional level of their diets. It means that CCC purchases of dairy products will be less, thereby decreasing the depressing effect Government stocks have on producer prices.

During each of the past 3 years the program has shown significant increases in school participation and in milk consumption. This year, the number of schools participating increased 5 percent over last year, which was 7 percent over the year before. The number of one-half pints of milk consumed over this same period went up from 1.9 billion to an estimated 2.1 billion this year, if the current level of program activity continues for the remainder of this year. Program progress and needs can best be shown by the attached table showing, by State, the increase in the number of outlets and the number of one-half pints of milk reimbursed during November 1958 compared with November 1957. However, any restriction developing in the program now would not only slow its progress this year but would have a negative effect on program operations during

succeeding years. All estimates of participation and plans for increasing program activity by State and local school officials would be modified to the point where program activity could become static with virtually no progress possible. This is contrary to the original objective of the program.

A cutback in progress now because of inadequate financing could mean not only decreased nutritional improvement for children participating, but increased Government purchases and storage of dairy products. The question is, therefore, shall we continue to utilize the proved mechanics of this program to make better nutrition available to a vulnerable segment of our population through this constructive use of our abundance, or should we depend on Government purchase and storage programs?

The fact that the special milk program has made it possible to move this quantity of milk through normal channels of trade and at more favorable producer prices, adds support to the merits of the program. A fuller realization of the significant contribution the program is making toward lessening the amount of Government dairy product purchases, thereby tending to lessen the threat of Government-owned products on the commercial market, is made when we are mindful of three basic facts in the current dairy picture. No. 1—the estimated annual excess milk production over commercial needs is only 3.5 percent. No. 2—it is axiomatic in our industry that some excess production is needed to meet unexpected needs. No. 3—the twice daily harvest of our production and the daily marketing plus the factor of perishability intensifies the adverse effect a small percentage of excess has on the bargaining position of dairy farmers. Dairy farmers are very much aware of this situation just as the purchasers of their raw product are aware of it. It is understandable, therefore, that we would place great emphasis on programs such as the special milk program which has resulted in a broadening of the base of consumption.

Information developed by the U.S. Department of Agriculture from reports of program needs in the various States shows that 38 States will be required to make revisions in their programs this year unless adequate financing is made available. The attached table gives this information by State. The indicated need to maintain the program for the remainder of this year at the level desired by the various States is \$3,378,569.

In view of the tremendous strides being made in the program, the momentum generated under the program, the increasing annual school enrollment, from 33.2 million in 1954 to 39.1 million in 1959, and the importance of assurance to school officials that if the program is to continue, it will be adequately financed, we support H.R. 5413, 5414, 5430, 5433, 5487, 5600, and 5613. These bills are designed to accomplish this purpose. We respectfully suggest that the Congress authorize the expenditure of an additional \$5 million for the remainder of this fiscal year or a total of \$80 million for the entire fiscal year; \$85 million for the fiscal year 1960; and \$90 million for the fiscal year 1961. We recognize that these are authorizations and their use depends on programs progress.

We again want to express our appreciation to the committee for its demonstrated interest in this and other matters of concern to dairy farmers. In their behalf, we thank you.

(The second table referred to above may be found on p. 10.)

SPECIAL MILK PROGRAM

Number of outlets participating and number of half-pints reimbursed November 1957 compared with November 1958

	Number of outlets participating			Number of ½-pints reimbursed		
	November 1957	November 1958	Percent increase	November 1957	November 1958	Percent increase
				<i>Thousands</i>	<i>Thousands</i>	
Alabama.....	1,395	1,472	5.5	3,265	3,508	7.4
Alaska.....	24	25	4.2	52	54	3.8
Arizona.....	412	447	8.5	1,109	1,355	22.2
Arkansas.....	1,024	1,036	1.2	1,435	1,648	14.8
California.....	5,001	5,312	6.2	19,878	23,854	20.0
Colorado.....	885	933	5.4	1,818	1,841	1.3
Connecticut.....	648	772	19.1	2,059	2,469	19.9
Delaware.....	134	141	5.2	543	559	2.9
District of Columbia.....	184	194	5.4	1,479	1,543	4.3
Florida.....	1,193	1,313	10.1	3,509	4,071	16.0
Georgia.....	1,519	1,621	6.7	2,490	2,728	9.6
Hawaii.....	176	186	5.7	504	470	-6.7
Idaho.....	373	420	12.6	497	576	15.9
Illinois.....	4,030	4,586	13.8	14,694	16,065	9.3
Indiana.....	1,598	1,813	13.5	4,648	6,044	30.0
Iowa.....	2,088	2,166	3.7	3,879	4,426	14.1
Kansas.....	1,109	1,156	4.2	2,042	2,386	16.8
Kentucky.....	1,378	1,500	8.9	2,866	3,381	18.0
Louisiana.....	931	980	5.3	1,107	1,131	2.2
Maine.....	793	824	3.9	908	959	5.6
Maryland.....	975	1,095	12.3	3,572	4,438	24.2
Massachusetts.....	2,357	2,419	2.6	7,837	8,420	7.4
Michigan.....	4,210	4,399	4.5	12,225	13,314	8.9
Minnesota.....	2,500	2,570	2.8	5,033	5,933	17.9
Mississippi.....	1,013	1,031	1.8	2,435	2,783	14.3
Missouri.....	2,926	2,937	.4	4,692	5,358	14.2
Montana.....	326	349	7.1	420	423	.7
Nebraska.....	677	702	3.7	1,307	1,435	9.8
Nevada.....	99	129	30.3	227	281	23.8
New Hampshire.....	349	356	2.0	491	546	11.2
New Jersey.....	1,359	1,530	12.6	4,467	5,245	17.4
New Mexico.....	504	555	12.1	1,965	2,331	18.6
New York.....	4,517	4,658	3.1	19,988	21,435	7.2
North Carolina.....	2,003	2,049	2.3	3,337	3,955	18.5
North Dakota.....	357	386	8.1	611	871	42.6
Ohio.....	3,341	3,580	7.2	12,823	13,970	8.9
Oklahoma.....	1,094	1,185	8.3	2,332	2,751	18.0
Oregon.....	775	821	5.9	1,262	1,380	9.4
Pennsylvania.....	4,333	4,454	2.8	9,728	10,672	9.7
Puerto Rico.....						
Rhode Island.....	299	303	1.3	820	843	2.8
South Carolina.....	1,012	1,083	7.0	1,355	1,726	27.4
South Dakota.....	446	491	10.1	942	1,141	21.1
Tennessee.....	2,140	2,238	4.6	4,211	5,008	18.9
Texas.....	3,226	2,891	-10.4	5,784	6,709	16.0
Utah.....	323	338	4.6	448	515	15.0
Vermont.....	377	323	-14.3	381	415	8.9
Virginia.....	1,399	1,438	2.8	3,510	4,167	18.7
Virginia Islands.....						
Washington.....	1,162	1,274	9.6	2,708	3,071	13.4
West Virginia.....	981	1,004	2.3	1,088	1,083	-.5
Wisconsin.....	4,333	4,481	3.4	7,335	7,991	8.9
Wyoming.....	175	202	15.4	376	404	7.4
Total.....	74,483	78,178	5.0	192,492	217,682	13.1

Source: United States Department of Agriculture—March 1959.

Mr. HEALY. I am Patrick B. Healy. I am the assistant secretary of the National Milk Producers Federation with officers at 1731 I Street.

The Federation is a national farm commodity organization, the oldest and largest of its type and is representative of milk producers located in every State in the Union.

Our interest is solely in milk. Therefore, we are appreciative of this opportunity to meet with the committee and to discuss the special

milk program for children, because it is in our minds one of the most successful and most important programs which deals with milk and its products and its effect upon farmers and farm income.

It is important to note that the program as it was developed by this committee, approved by the Congress, and put into operation is doing the job that was expected of it.

It is, also, important to note that the job is only half done. There are only one-half of the children in this country who are eligible to participate in the program who have as yet come under it.

During the last year we put about 2 billion half-pints of milk into use, into consumption in schools and child care centers and summer camps. It is expected that the program can grow to a substantial extent beyond that 2 billion half-pints of milk.

There are in this country about 39 million children of an age to participate and there are only about 20 million children that are participating today. Therefore, we think it is quite important for the Congress to provide funds so that these additional children can be brought into the program as the States make the program available to them.

We think it is also important to note that what we are asking for here, and what the legislation which is before this committee asks for is not that the Department spend so much money but only that so much money be available for spending, should the program requirements dictate its spending.

We have this surplus production which is not great. About $3\frac{1}{2}$ percent of the total milk production last year. We think it is very important to utilize this abundance, this surplus of milk in some way, where it can benefit other than the people who produce it.

We think that programs such as this school milk program can be developed which will make this milk immediately available through commercial channels to people who really need it, and if it can be that, certainly no bad can be said of it.

Therefore, we are here making an appeal for an additional \$5 million this year to raise the top authorized limit of expenditure to \$80 million, \$85 million next year and \$90 million the following year.

We are right now faced with a definite need for about $\$3\frac{3}{4}$ million to keep the program going.

The program has been advancing year after year after year. Therefore, we can safely assume that we will need an additional \$5 million for at least each of the next 2 years. Otherwise, we are faced during those 2 years with another emergency hearing just as we have here today to keep some program from stopping.

Therefore, we think it is important to consider longer than just this current year.

Mr. POAGE. May I ask you, in that connection, if we authorized \$85 million next year, would the effect of that be to turn this subject over to the Appropriations Committee?

Mr. HEALY. No, I do not believe so. Are you talking about this problem of exceeding the borrowing authority of the Commodity Credit Corporation?

Mr. POAGE. Yes.

Mr. HEALY. Well, I guess that is right. There is some relation there.

Mr. POAGE. That is exactly what is being advocated.

Mr. HEALY. You mean to turn this over to direct appropriations each year instead of using Commodity Credit Corporation funds?

Mr. POAGE. No, no. I mean those who are advocating changes in the rules so that all measures that authorize additional borrowings come to the Appropriations Committee.

The CHAIRMAN. This would also apply to the distribution of surplus commodities.

Mr. POAGE. Yes.

Mr. HEALY. It perhaps would. I think, too, that this morning there was some question about taking this out of the Commodity Credit Corporation appropriations.

Mr. POAGE. Yes, there was.

Mr. HEALY. And making it a part of the regular Agricultural Department budget. But we look upon this program as a part of the farm program, a part which does benefit children and rightly so. But no farm program is just one program. It is not just a price supports program. It is a price supports program and utilization program of all sorts.

And, certainly, we would continue to advocate that those utilization programs which are vital to the basic price supports program—they are the parts which make it work—be kept together so that they are subject to review by this Committee of Agriculture from which emanates the price supports program. Therefore, anything that would take away from this committee the review and authorization of funds for these programs which are affiliated with or tied to the price supports program, we would think would be wrong.

Mr. POAGE. Because of the threat of such changes and they have some support in many high places, might it not be well to confine any additional authorization we make at this time to this year—that we might require that next year the matter be brought back before us for review? Whereas if we passed legislation that authorized increased appropriations or increased expenditures, in additional and future years it would simply be handing control over to the Appropriations Committee, that is, it would be handing this program to them.

Mr. HEALY. I think, on the other hand, what you would be doing is giving assurance to the States which must develop these programs, and must go out and work with their local school officials.

Mr. POAGE. How do you give that assurance when you simply authorize the Appropriations Committee to make available that much money, and they can make that much available, or make any lesser amount available, if they want to. You give them the full control of the program.

Mr. HEALY. But by so doing have you not permitted the Congress, of which the Appropriations Committee is a part, to support such funds?

Mr. POAGE. All we do is to authorize the expenditure of that much money. Then they can spend that much or any part of it they want to. As I see it, in future years—please do not misunderstand—I see the desirability and the necessity of providing the funds for the year 1959—and so far as I can see we will probably need additional funds in 1960 and probably more in 1961. But if this committee is to divest itself of supervision over the year 1960 and the year 1961, then it seems

to me that from what you have already said that we better do this thing one step at a time.

Mr. QUIE. Will you yield?

Mr. POAGE. Yes.

Mr. QUIE. As I understand it, the money comes from the Commodity Credit Corporation borrowing authority, we not only authorize the expenditure but it is up to the Department of Agriculture to use as much of these funds as they deem necessary to promote the program, but if we take the program out of the Commodity Credit Corporation, then it comes under the jurisdiction of the Appropriations Committee.

Mr. POAGE. May I speak off the record?

The CHAIRMAN. Yes.

(Discussion off the record.)

The CHAIRMAN. Mr. Healy, in view of the situation we have at the moment, do you not think it would be well to authorize the \$5 million for 1959 and take no action at the present time for 1960 and 1961?

Mr. HEALY. No, sir, I do not. I was not aware of the position of this proposed resolution which Mr. Poage mentioned off the record, but since we do not have it I think that the committee should make available to the States sufficient assurance that they can go on and make their plans, develop plans so that this program can be made available to the other one-half of the children of our Nation who just do not participate right now. And they cannot do that just on a year-to-year basis. They have got to know that next year they will be able to increase their use of these funds 7 or 8 percent.

The CHAIRMAN. Maybe by next year the condition will be somewhat different.

I am willing to go along with you even if we did not have a surplus problem.

Mr. HEALY. That is correct.

The CHAIRMAN. This program can be justified. And in fairness to the children who are not now receiving the benefits we want this program continued and expanded.

You heard it stated here this morning that the attitude of the Department is against further expansion. I did not realize the Department had already notified the States that they would be short of funds.

In that situation I feel that in order to discharge my duty I want to vote to authorize an additional \$5 million so that I will know they have the money to do the job. I think it would be less complicated if we did that.

Mr. HEALY. Certainly, that is the pressing problem right now, because what we heard this morning to the contrary notwithstanding there will be no reimbursements or returns from these States which do not use what they have been allotted, because they do not know how much of that they will not use until after June. And then, of course, it would be too late to put it back.

Mr. ABERNETHY. Mr. Chairman, I think there are one or two things about this that we have overlooked. I think the impression is being put into this record that a certain number of children are not getting milk. That is not correct. They are supplied milk through the regular school milk program.

Mr. HEALY. Yes, sir.

Mr. JENNINGS. They are not supplied milk, are they? If they do not get a class A type meal they are not getting milk with it. If they get a class A type meal, then this program provides that 4 cents will be provided.

If they are getting a class C type meal, then only 3 cents is provided.

Mr. HEALY. Yes, sir. Actually, there are two programs involved here.

Mr. JENNINGS. Sure.

Mr. HEALY. There is a school lunch program.

Mr. ABERNETHY. Through which they get nothing.

Mr. HEALY. Through which they must get milk.

Mr. JENNINGS. They may get milk.

Mr. ABERNETHY. They must get milk.

Mr. JENNINGS. No, sir, not under a class A and class C program. Under the class A program they do get milk, but under the other program they do not get milk. They have two types.

The CHAIRMAN. We still reach only about one-half of the children under this program?

Mr. HEALY. Yes, sir. But this legislation that we are talking about now is over and above the school lunch program.

Mr. JENNINGS. That is right.

Mr. HEALY. The school lunch program in which milk is served.

Mr. JENNINGS. Not necessarily.

Mr. HEALY. With a class A meal.

Mr. JENNINGS. With a class A meal. As long as you make that distinction you are stating it correctly.

Mr. HEALY. Then if additional milk is served at that meal, then that comes out of that program. If there is an additional service of milk at some other time during the school day that comes out of this program. But the two programs are separate and apart.

Mr. ABERNETHY. Wait just a minute. Let us go back to what we started out to do. We set out to make available to the school children a second glass of milk.

Mr. HEALY. That is right.

Mr. ABERNETHY. It was a disposal program, was it not?

Mr. HEALY. Partly, yes.

Mr. ABERNETHY. Well, let us not quibble about that. It was a disposal program.

I am sure that the gentlemen, as well as the members of this committee at the time it was inaugurated, felt that the people in the States who were handling the school lunch programs had to make milk available in that program before they could get money out of this extra special milk program, did they not?

Mr. HEALY. That is right.

Mr. ABERNETHY. All right. So it does not necessarily hold true that X number of children are not getting milk with their school lunches, as was put in the record this morning.

Mr. HEALY. No, that is right.

Mr. ABERNETHY. That is right. It is true that they may not be getting a second or third glass of milk, is that not right?

Mr. HEALY. I have some figures that may help. There are about 80,000 schools in this program that we are talking about today. There are 60 some thousand schools in the school lunch program.

The other program with which milk is served.

And they are not necessarily the same schools. Some of them are and some are not.

This program is actually putting more milk into more schools than the school lunch program is.

Mr. ABERNETHY. They were designed, and the people who carried on the school lunch programs were told that if they did not serve milk in the beginning that they could not get any of this commodity.

Mr. HEALY. That is right.

Mr. ABERNETHY. So it was a disposal program.

How many children in America are getting school lunches? Let us talk about the whole number.

Mr. HEALY. Mr. Post tells me there are 12 million children in the school lunch program, out of about 39 million that are eligible.

Mr. ABERNETHY. \$5 million or \$25 million extra would not be enough to make available that extra glass of milk to all of the school children of America, would it?

Mr. HEALY. No, but that is what is necessary to keep the program and expanding at this time in order to eventually give them an extra glass of milk.

Mr. ABERNETHY. How much did the school milk program expand percentage-wise in 1958 over 1957?

The CHAIRMAN. The record shows that.

Mr. ABERNETHY. About what percent?

Mr. HEALY. 13.1.

Mr. ABERNETHY. How much did it expand in 1957 over 1956?

Mr. HEALY. 22 percent.

Mr. ABERNETHY. What was that in dollars?

Mr. HEALY. Well, in dollars we spent in 1958, 66.3 million.

Mr. ABERNETHY. All right, how much in 1957?

Mr. HEALY. \$60.5 million.

Mr. ABERNETHY. What did we spend in 1956?

Mr. HEALY. In 1956, \$45.9 million.

Mr. ABERNETHY. It had not got rolling yet.

Mr. HEALY. That is right.

Mr. ABERNETHY. This point was made that there would be an increase of 12.1 percent in 1959 over 1958 under it, was it not?

Mr. HEALY. 13.1, I think that is correct.

Mr. ABERNETHY. And still that would not take up the full \$75 million?

Mr. HEALY. No, no, wait a minute.

Mr. ABERNETHY. You can figure it out. I figured it out this morning. You have \$8,020,000 of your authorization unused in 1958 which would be made available to the program next year.

Mr. HEALY. They estimate that they will spend \$74.3 million this year, which is 12.1 expenditure. The States have estimated that in order to continue the program at its current rate, through the end of the fiscal year, they will have to expend, well, 78.3, I think it is, which amounts to something over 13 percent. There may be point of discrepancy in numbers but these States are faced right now with either cutting these programs back or knowing very quickly that they can go ahead with them.

Mr. ABERNETHY. How do they handle this program? Are they reimbursed? Somebody said 4 cents a glass for this extra milk.

Mr. HEALY. They get reimbursed 4 cents for some types and 3 cents for some others.

Mr. ABERNETHY. Let us take the 3-cent type. How much do they pay for that milk per glass?

Mr. HEALY. It varies according to the area, but it is somewhere around 5, 6, 7 cents.

Mr. ABERNETHY. Let us take 6 cents. The Government is reimbursed for 3 cents. So that makes the cost to the Government 3 cents and to the State 3 cents. If we spent 3 more cents per glass, the local areas have got to advance 3 more cents, haven't they?

Mr. HEALY. That is right.

Mr. JENNINGS. Somebody has to.

Mr. HEALY. The schoolchildren pay more—more children pay the same.

Mr. ABERNETHY. The money that is made available from the Federal Government does not defray the whole cost of this?

Mr. HEALY. Not at all. That is why, Mr. Abernethy, we think it is such a good program. The Federal Government is not picking up all of the checks for the utilization of this milk. We think that is a part of what is good about it.

Mr. ABERNETHY. Thank you.

Mr. JONES. If I may interrupt, can you answer the question about the difference in the quality of the milk in the various States—what is the lowest butterfat content that is permissible in any State?

Mr. HEALY. I believe 3.25.

Mr. JONES. What is the highest?

Mr. HEALY. Well, it goes all the way up—I do not think there is any State regulation which calls for much over 3.5, but milk, generally, averages about 3.7 or 3.8, as it is distributed.

Mr. JONES. You mean, in other words, or, rather, you do not mean to say that there are many dairies that are selling milk that exceeds the minimum requirements?

Mr. HEALY. Yes, sir.

Mr. JONES. You do?

Mr. HEALY. Yes.

Mr. JONES. There are some places that are complaining because of the competitive feature, some of this milk being sold to the school lunch program is below the State standard. That violates the law, does it not?

Mr. HEALY. It would, also, violate this school milk regulation.

Mr. JONES. It violates both of them?

Mr. HEALY. Yes, sir.

Mr. JONES. I want to get this for the record. You say that the minimum requirements, so far as you know, in any State is 3.25?

Mr. HEALY. Yes, sir.

Mr. JONES. What is the highest minimum in any State?

Mr. HEALY. I do not know—I do not know. I can't supply it for the record but I think it would be 3.5.

Mr. QUIE. Will you yield?

Mr. JONES. Yes.

Mr. QUIE. I am quite sure that California has a 4-percent requirement which is the highest.

Mr. JONES. That is what I was thinking. That is what I am trying to get at. What I cannot figure out is this: If we are going to get into this Federal program and we are to feed them milk, let us feed them the same milk everywhere and make the requirements the same, instead of where we come to the point that they sell milk that is low in butterfat, so that we would not be taking everything out of the milk. That is where you created the whole surplus by taking it out. You created a surplus of butter and dried milk. If you sold the fluid milk as is, if you had had done that, we would not have any of this problem that we have today.

The CHAIRMAN. Are there any further questions?

Mr. QUIE. When we were talking about the percentages, I noticed in Mr. Healy's statement that this year the number of schools participating increased 5 percent over last year, which was 7 percent over the year before.

When you were talking about the 13 percent, was that the number of children?

Mr. HEALY. The amount of the milk.

Mr. QUIE. You said one-half of the job was done. Do you think we will ever get the whole job done where every child will receive milk under this program?

Mr. HEALY. I would not think so. I certainly would think that we should provide encouragement to work toward that end.

Mr. QUIE. Do you think that the percentage of increase will continue for some time as we have seen it now, or it will level off?

Mr. HEALY. It certainly should continue.

Mr. QUIE. Does the Milk Producers Federation have a program to encourage the schools to get into this?

Mr. HEALY. We have two men in the field who spend considerable time working on it. What we have discovered is that people do not understand this. The people in the markets, and the school officials and the farmers and the dairy people become a little perturbed at each other. And if we can send somebody in to straighten it out, it helps. We have helped in a considerable number of these programs. And we will continue to do that.

Mr. QUIE. It would help if the school people would know that some sort of a program would encourage the use of fluid milk in the school—that would be wise over a long period of time, even if there should be absolutely no overproduction.

Mr. HEALY. That is correct. That is why I suggested earlier that it is important for them to know that there is continued room for development in the program, and not to have it on just a year-to-year basis. As a matter of fact, Mr. Quie, we participated with it in order to encourage this program with the new Holland Steel Co. in the development of a one-half hour moving picture which we are sending around to the television stations, to every place, explaining just how this program can be put into operation in a community and what the benefits of the program are.

Mr. QUIE. Many school authorities look askance at the idea of advertising in the schools. In the Twin Cities schools they allow the

milk companies to come in and show educational movies and to promote their own products, which is the only agricultural product that is allowed to come in and advertise in the schools. That is done realizing the great nutritional value of it as a food.

The CHAIRMAN. Are there any further questions?

Mr. McINTIRE. Do you think that the limitation is one of education? Are there other limiting factors?

Mr. HEALY. Of course, I think there must be some impetus of outside money. That is No. 1.

No. 2, certainly, is education among the local school officials.

Most of the State school officials, I think the leaders of the educational program for each State, are well aware of the program, as is evidenced by the fact that 38 States have gone over their allotments, but the main need for education is locally. School principals are reluctant to take on one more administrative job of collecting this money and putting it to use.

Mr. McINTIRE. Where they do have school lunch programs already in effect, I suppose it is easier to implement it?

Mr. HEALY. That is correct.

Mr. McINTIRE. In other areas, where there are no school lunch programs it would be somewhat different?

Mr. HEALY. Where there are none, it is something brand new and something which they are reluctant to go into, because mostly they are fearful of an administrative chore that is not theirs.

Mr. McINTIRE. Does this occur more in, you might say, the rural school districts than in the metropolitan school districts?

Mr. HEALY. No, I think—I know it does occur more in the urban areas. This reluctance to assume the job.

The CHAIRMAN. Are there any further questions?

Thank you very much, Mr. Healy, for your statement.

Mr. HEALY. Thank you.

The CHAIRMAN. The committee will go into executive session.

(The following letter has been submitted to the subcommittee and without objection by the chairman is included in the record:)

STATEMENT TO THE HOUSE COMMITTEE ON AGRICULTURE IN REFERENCE TO BILLS
TO EXTEND AND INCREASE THE FUNDS AVAILABLE TO THE SPECIAL SCHOOL MILK
PROGRAM, FROM OTIE M. REED, WASHINGTON REPRESENTATIVE, NATIONAL CREAM-
ERIES ASSOCIATION

Mr. Chairman and members of the committee, the National Creameries Association has supported the special school milk program and the military milk program ever since they were conceived some years ago by the late Honorable August H. Andresen, of Minnesota.

The special school milk program is one in which, to my knowledge, all of the dairy associations have been agreed, and I am sure they wish to see the program continued and its full potentialities realized.

It seems to us that the problem that faces the Congress in connection with this program is not that of determining the degree of support among dairy organizations and general farm organizations, inasmuch as all farm organizations, as far as our knowledge of the matter is concerned, support this program and desire to see it continued. Rather, if there are any problems involved in these fluid milk programs, they might well center around the determination as to how far and how broad the scope of the programs should be.

Accordingly, in the remainder of this memorandum, we shall address ourselves to certain facts as to the current scope of operations and related factors.

Programs for the expansion of fluid milk now current under existing law are (1) the expansion of consumption involved in the regular school lunch pro-

gram authorized by the National School Lunch Act, (2) the special school milk program, and (3) the military milk program, the latter two being authorized under the Agricultural Adjustment Act of 1949, as amended. In calendar year 1958, these three programs accounted for the following volumes of milk:

	<i>Pounds</i>
1. Special school milk.....	1, 097, 000, 000
2. National school lunch milk.....	1, 006, 000, 000
3. Military milk.....	600, 000, 000
Total.....	2, 703, 000, 000

During calendar year 1958, the total volume of milk equivalent taken off the commercial market through the price-support program for manufactured dairy products (butter and cheese) amounted to 3.6 billion pounds in the form of butter and 80.3 million pounds in the form of cheese, for a total of 3,756,300,000 pounds milk equivalent. Total offtake in terms of milk equivalent of fluid milk, butter and cheese in 1958 therefore amounted to 6,459,300,000 pounds milk equivalent.

The significance of these figures in relation to the school milk and military milk programs is indicated by the fact that, in 1958, the volume under such programs was 72 percent of the volume of milk removed from the commercial market under the price-support purchase program in the form of butter and cheese, and represented 42 percent of the milk equivalent removed from commercial marketing channels under both the price-support program and fluid milk programs.

In addition to the foregoing considerations relative to the current scope of the program, which indicates a very significant increase in consumption of milk at schools by schoolchildren and additional milk consumption by the Armed Forces, it is to be recognized that producers of fluid milk for distribution as fluid milk in cities and municipalities of the United States also make very significant economic gains.

The gains to fluid milk producers from the general price-support program for manufacturing milk and butterfat are in themselves quite significant. In most of the fluid milk markets of the country, prices paid fluid milk market producers for milk used in fluid form (class I as it is commonly called), are based on the price received by producers for manufacturing milk and butterfat and the products thereof. Thus, any gains in prices at which manufacturing milk and butterfat producers are able to sell their product which is attributable to the price-support program, and these are significant price gains, also are reflected in fluid milk prices to fluid milk market producers.

In addition to the gains derived from the price-support program for manufacturing milk and butterfat, there is a very important price enhancement to fluid milk producers as a result of this program. The reason for this is the fact that milk from fluid milk market producers which ordinarily would not be sold as fluid milk at fluid milk prices, but would be sold by the fluid milk market producers as manufacturing milk surplus to the sales of their milk as fluid milk, becomes reclassified from the manufacturing milk class to the fluid milk class as a result of the operation of the program.

As you no doubt know, in fluid milk markets it is the common thing for milk to be sold to milk handlers and distributors on the basis of the use the handlers or distributors make of the milk delivered to them by fluid milk producers. Milk sold by the handler or distributor as fluid milk to consumers and consumer outlets is classified as class I milk, and commands the highest price. Milk which is in excess of sales to consumers and consumer outlets as fluid milk is sold for use in manufactured dairy products, such as ice cream, butter, cheese, evaporated milk, condensed milk, and the like. Milk sold for manufacturing milk commands the lowest price. This, briefly, describes the classified price system of pricing milk delivered to handlers or distributors in fluid milk markets.

Thus, for each hundredweight of milk which the fluid milk programs under review in this statement are responsible for moving from the manufacturing class to the fluid milk class (class I), the fluid milk market producers receive the higher fluid milk or class I price for such milk, rather than the price for manufacturing milk which they would have received had not the fluid milk programs encouraged its use as fluid milk rather than its use as manufacturing milk, which would have been the case in the absence of the programs.

The gains derived from selling the milk in higher classes than would have been the case in the absence of these programs is very significant, indeed. A rough measure of these gains is made possible by comparison of the average prices paid producers by fluid milk handlers or distributors for milk for city distribution, as compared to average prices received by manufacturing milk producers for their milk.

The measure of gain is stated in the preceding sentence to be rough due to the fact that, in order to measure the precise gain to fluid milk market producers under this program, it would be necessary to compare sales under the several fluid milk programs (special school milk, national school lunch milk, and military milk) in each market where such programs are in operation with the prices of class I (fluid) milk prevailing in such markets and the prices for manufacturing milk. Such tedious computation of precise gains involves analysis of a great deal of data which is not available to this office, and which would serve no useful purpose in this presentation of the matter.

It suffices to say that, in 1958, the U.S. average price paid by distributors or handlers for fluid milk for distribution to city consumers as fluid milk was \$5.42 per hundredweight, whereas the U.S. average price received by manufacturing milk producers was \$2.87 per hundredweight. Both prices quoted in the preceding sentence have been adjusted to 3.5 percent butterfat content. Thus, the spread between these prices is \$2.55 per hundredweight. This figure, \$2.55 per hundredweight, represents the amount per hundredweight, on the average, which fluid milk market producers gain from these milk programs, on each hundredweight of fluid milk used in these programs.

It appears to us that, with this record of gains in consumption at schools by schoolchildren, together with the demonstrably large per hundredweight gains to fluid milk market producers, the Congress has before it proof of the efficacy of these programs.

It further appears that, in view of the foregoing, the only real problem remaining to the Congress is that of determining how much, if any, the programs should be expanded and broadened in scope. This is a question respecting which we regret to say we do not have available the information to enable us to advise the Congress in this phase of the matter.

It would be our opinion that, if the U.S. Department of Agriculture officials who administer these milk programs believe that they can further expand the programs and broaden their scope without reducing regular commercial sales of fluid milk, then the programs should be extended. The ultimate limits of expansion and scope of the programs seem to us to depend upon the findings of the officials of the U.S. Department of Agriculture in respect to these matters, and as far as we are concerned, we would be quite inclined to accept their judgment in the matter. Here, of course, we are not ourselves dealing with budgetary considerations, but solely with the matter of desirable expansion and scope in the physical terms of expanding the amount of milk that would be sold in fluid form without going beyond the saturation point and causing reductions in regular commercial sales of fluid milk.

In closing, may we state it as our considered opinion that these programs have materially increased the consumption of fluid milk on the part of children at schools and on the part of the military, and they also have resulted in very significant economic gains on the part of fluid milk market producers. As to further expansion of the programs and broadening their scope, we will depend upon the good judgment of the Congress after it reviews the testimony in connection with this phase of the matter that is furnished by the officials of the U.S. Department of Agriculture who are charged with the administration of these programs.

Respectfully submitted.

(Whereupon, at 2:40 p.m., the committee went into executive session.)

SCHOOL MILK PROGRAM



HEARING

BEFORE THE

SUBCOMMITTEE ON DAIRY AND POULTRY

OF THE

COMMITTEE ON AGRICULTURE

HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH CONGRESS

FIRST SESSION

ON

H.R. 1938, H.R. 3197, H.R. 5248, H.R. 5408, H.R. 5413,
H.R. 5414, H.R. 5430, H.R. 5433, H.R. 5487, H.R. 5600,
H.R. 5604, H.R. 5613, H.R. 5932, and S. 1289

MAY 20, 1959

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THE HISTORY OF THE

REIGN OF

CHARLES THE FIRST

IN WHICH ARE CONTAINED THE

CAUSES, THE CONDUCT, AND THE CONSEQUENCES OF THE

WAR, WHICH BROKE OUT IN THE YEAR 1629, BETWEEN

HIS MAJESTY AND HIS SUBJECTS, AND WHICH

LASTED UNTIL THE YEAR 1649.

BY SAMUEL JOHNSON, ESQ.

IN TWO VOLUMES.

LONDON: Printed by J. BARNARD, at the Crown and Anchor, in St. Paul's Church-Yard, 1741.

SCHOOL MILK PROGRAM

WEDNESDAY, MAY 20, 1959

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DAIRY AND POULTRY
OF THE COMMITTEE ON AGRICULTURE,
Washington, D.C.

The subcommittee met pursuant to notice at 10:30 a.m., in room 1308, New House Office Building, Hon. Lester R. Johnson (chairman of the subcommittee) presiding.

Present: Representatives Johnson, Thompson, Hagen, McIntire, Dixon, Quie, and Pirnie.

Also present: Representative Merwin Coad (Iowa).

Mr. JOHNSON. The committee will please come to order.

We have under consideration today a group of bills. Among them are S. 1289, by Senator Humphrey of Minnesota, which has passed the Senate, and some 13 other bills introduced by Members of Congress.

(S. 1289, introduced by Senator Humphrey; H.R. 5248, by Mr. Johnson of Wisconsin; H.R. 5408, by Mr. Kastenmeier; H.R. 5413, by Mr. Laird; H.R. 5414, by Mr. Langen; H.R. 5430, by Mr. Nelsen; H.R. 5433, by Mr. Quie; H.R. 5487, by Mr. Andersen of Minnesota; H.R. 5600, by Mr. McGovern; H.R. 5604, by Mr. Meyer; H.R. 1938, by Mr. Quie; H.R. 5613, by Mr. Brown of Missouri; H.R. 3197, by Mr. Quie; and H.R. 5932, by Mr. Laird, are as follows:)

[S. 1289, 86th Cong., 1st sess.]

AN ACT To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276), is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed \$80,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

Passed the Senate April 30, 1959.

Attest:

FELTON M. JOHNSTON, *Secretary*.

[H.R. 1938, 86th Cong., 1st Sess.]

A BILL To provide a permanent extension of the special school milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 478, Eighty-fifth Congress (72 Stat. 276), is amended by striking out the words "for each of the fiscal years in the period" and inserting in lieu thereof "for each fiscal year", and by striking out the words "and ending June 30, 1961,".

SCHOOL MILK PROGRAM

[H.R. 3197, 86th Cong., 1st Sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$75,000,000, and for each fiscal year thereafter not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high-school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5248, 86th Cong., 1st Sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5408, 86th Cong., 1st Sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5413, 86th Cong., 1st Sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000 and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5414, 86th Cong., 1st Sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not

to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5430, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5433, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5487, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5600, 86th Cong., 1st Sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

SCHOOL MILK PROGRAM

[H.R. 5604, 86th Cong., 1st Sess.]

A BILL To increase the authorized maximum expenditure for the fiscal years 1959, 1960, and 1961 under the special milk program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$80,000,000, and for each of the two fiscal years thereafter, not to exceed \$85,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5613, 86th Cong., 1st Sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That for the fiscal year ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

[H.R. 5932, 86th Cong., 1st sess.]

A BILL To increase and extend the special milk program for children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 85-478 (72 Stat. 276) is amended to read as follows: "That the Secretary of Agriculture is hereby directed to undertake a program to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

SEC. 2. (a) During the fiscal year beginning July 1, 1958, not to exceed \$78,000,000 and for the fiscal year beginning July 1, 1959, not to exceed \$80,000,000, of the funds of the Commodity Credit Corporation shall be available to carry out the purpose of this Act.

For each fiscal year thereafter, there are hereby authorized to be appropriated such sums as may be necessary to carry out the purpose of this Act.

(b) Amounts expended hereunder and under the authority contained in the last sentence of section 201 (c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price support program.

Mr. JOHNSON. The question before the subcommittee is this: Is the \$80 million authorized in the Senate bill for 1960 and 1961 a sufficient amount of money to take care of school milk; will it provide for expanding the program as it has been in the past; and will the \$80 million make it necessary to cut back the amount of money paid to various schools? With that question before the committee, I will call the first witness from the Department, Mr. Oris V. Wells, who has with him Mr. Martin D. Garber and Mr. Howard P. Davis.

Mr. Wells, you may sit right there, and we shall leave these seats for other committee members when they come in.

(Discussion off the record.)

STATEMENT OF ORIS V. WELLS, ADMINISTRATOR, AGRICULTURAL MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE; ACCOMPANIED BY MARTIN D. GARBER, DIRECTOR, FOOD DISTRIBUTION DIVISION, AGRICULTURAL MARKETING SERVICE, AND HOWARD P. DAVIS, AGRICULTURAL MARKETING SERVICE

Mr. WELLS. Mr. Chairman, I shall read my statement, if I may. It is short.

I am pleased to be here today to discuss bills to increase the authorized use of funds under the special milk program for the fiscal years 1960 and 1961.

Some of the bills before the House would increase the special milk funds to \$85 million for each of the next 2 years; others would provide \$85 million for 1960 and \$90 million for 1961. Also, the House committee has before it S. 1289, in which the Senate has provided the sum of \$80 million for each of the next 2 fiscal years.

In view of the Department's testimony before the House committee in March of this year, it is not necessary to make another detailed statement on the development and current status of the program. Generally, the status of the program, and the Department's position with respect to funds for it, remain unchanged from that time.

The special milk program is now operating in over 78,000 schools and in 1,500 child-care institutions. Thus, when the summer camps can be added in, the number of outlets will exceed 80,000. According to our latest estimates, milk consumption will be close to 2.2 billion half pints this year, which is an amount equal to somewhat more than 2 percent of the annual fluid milk consumption by our nonfarm population. (This is, of course, exclusive of the approximately 2 billion half pints of milk which will be served as part of the type A lunches in schools this year.)

We still expect program expenditures to be about \$75 million this year. This is exclusive of Federal administrative funds which will run about \$600,000.

We have previously indicated to the subcommittee that the special milk program has been very effective in creating constructive additional markets for fluid milk.

Mr. JOHNSON. I think the hearings were held before the full committee.

Mr. WELLS. Yes, sir; to the full committee, I should say.

Nonetheless, the Department believes that it is time to stabilize the program at its present level, that is, at \$75 million. A program of that size can continue to provide a stimulus to increased consumption among children and to expanded markets for fluid milk. On the other hand, unless the program is modified, each year will bring about the need for an additional allocation of Federal funds.

Any new program of this type inevitably reaches the point where some stabilization must be introduced into its operating budget. We strongly believe that this is the time to take this step in the special milk program.

Milk production during the first quarter of calendar 1959 was slightly smaller than a year earlier. While production for the year may exceed 1958 by a small amount, it probably will be less than the

growth in population. Thus, price support acquisitions are not expected to be as large as last year. Our inventories are of manageable size. This situation is in great contrast to the almost 1 billion pounds of surplus dairy products in inventory in 1954 when the special milk program was started.

In conclusion, when this program was inaugurated in 1954, a chief reason for its adoption was the necessity of some sort of additional outlet for dairy products. It has since been recognized that the nutritional value of this additional milk is probably the most desirable aspect of the program. But if the extra nutritional value of the added milk is the rationale for the program's expansion, the Department recommends that any further need for funds to finance this expansion should be borne by the respective States and local communities and not by the Federal Treasury.

The special milk program was started as a temporary activity to help dairy farmers and is authorized for only 2 more years. This is also strong reason why it should not be increased in amount.

Mr. JOHNSON. Any questions, Mr. Thompson?

Mr. THOMPSON. You are recommending the Senate bill, then?

Mr. WELLS. No, sir; we are recommending that the current legislation be left unchanged, Mr. Thompson, which authorizes not to exceed \$75 million of Commodity Credit funds for this purpose.

Mr. JOHNSON. Maybe you do not have this information available, and I shall direct my question to Martin Garber.

For fiscal 1958, how much of the \$75 million appropriated through Commodity Credit was used for the school milk program?

Mr. GARBER. For fiscal 1958—that was last year.

Mr. JOHNSON. The year that would end in July of 1958.

Mr. GARBER. The amount that we used was \$66.3 million.

Mr. JOHNSON. What is your estimate that you will use for this year?

Mr. GARBER. The estimate for 1959, fiscal 1959, would be \$75 million.

Mr. JOHNSON. That is an increase in the school milk program of almost \$9 million over 1958.

Mr. WELLS. I think it would be better, Mr. Johnson, using \$8 million. My guess is that it will fall slightly short of \$75 million.

Mr. JOHNSON. Then let us make it \$8 million.

Mr. WELLS. Yes, \$8 or \$8½ million.

Mr. JOHNSON. Is there any reason for you to believe that the program will not increase, if it is given a chance, in fiscal 1960, the same as it has in fiscal 1959?

Mr. GARBER. Congressman Johnson, there should be, at some point, a leveling off of the program. Of course, it is hard to tell when it will level off.

Mr. JOHNSON. Do you think that it will level right off with no increase in fiscal 1960?

Mr. GARBER. No, sir; I do not. I do not wish to attempt to say whether it will level off in fiscal 1960 or not.

Mr. JOHNSON. If it increased \$8 million in fiscal 1959, it would seem to me that it would be likely to increase in 1960, unless something is done to stop it.

Mr. GARBER. Under the present rate of reimbursement, it would; yes, sir.

Mr. JOHNSON. What is the rate of reimbursement now to schools?

Mr. GARBER. Those schools that are in the National School Lunch Act program get 4 cents per half pint of milk. Those that are not in the National School Lunch Act program get 3 cents, and summer camps and other institutions get 2 cents.

Mr. JOHNSON. Well, is there any plan before the Department now to cut down the amount of reimbursement to the school?

Mr. GARBER. It would be necessary for the 1959 operation to cut the rate of reimbursement in order to live within the \$75 million.

Mr. WELLS. Fiscal 1960.

Mr. GARBER. For 1960; yes, fiscal 1960.

Mr. JOHNSON. Have you made any plans, or have there been any conferences as to possible cuts?

Mr. WELLS. Well, let me say this, Mr. Chairman. We would like to maintain this as a program where new schools can come in.

Mr. JOHNSON. Yes, I would like to see it, too.

Mr. WELLS. To do that within the \$75 million next year would, according to our preliminary investigation, mean a reduction from 4 to 3½ cents and from 3 to 2½ cents. That would leave the summer camps at 2 cents; they are a relatively small item. There has been no decision on this, but in order to keep it where we can maintain a rate of increase at least equal to last year, and keep it to where States will be sure to have enough for operation next year, our recommendation would be a cut of about one-half cent.

Mr. JOHNSON. If you cut the 4-cent group to 3½ cents and the 3-cent group to 2½ cents, how much would you save, in millions of dollars?

Mr. GARBER. Well——

Mr. JOHNSON. You must have done some figuring on that.

Mr. GARBER. That would mean, for the next fiscal year——

Mr. JOHNSON. Yes.

Mr. GARBER (continuing). Planning our present rate of increase of 8 or 10 percent, then we would actually spend about \$70.5 million.

Mr. WELLS. Or, said another way, I think—I would like to check on this—the saving would be about \$9 million. Otherwise it would run around \$80 million for the year.

Mr. DAVIS. We are only sure that it would probably run over \$80 million if we continue at our present rate next year.

Mr. JOHNSON. Without cutting it, or with cutting?

Mr. DAVIS. Without cutting it would run over \$80 million next year. Whether it would run \$83 or \$82 or \$81 million, we do not know. It would probably be closer to \$80 million.

Mr. WELLS. As I say, Mr. Johnson, 2 years ago the increase was, I think, from about \$61 million to \$66.3 million, a little more than \$5 million. Last year it picked up, I would say, \$8 or \$8.5 million, so an increase of \$6 to \$8 million would seem reasonable.

Mr. JOHNSON. Off the record.

(Discussion off the record.)

Mr. JOHNSON. Do you not think that if you start cutting the schools, as you are contemplating, you may stop new schools from coming in, and you may have some schools drop out?

Mr. WELLS. I would suppose there would be some cases where this might slow up the rate of increase. I think our judgment would be that we would continue to increase and we would get more complaints about administrative difficulties encountered in cutting the half-cent than we would get from the actual decrease in consumption.

Mr. JOHNSON. Now, if you left it and paid the schools the same as you are now, and your rate of increase was the same for fiscal 1960 as it is going to be for fiscal 1959, how much money would you need to carry out the program?

Mr. WELLS. Well, if we spent \$66.3 million last year and somewhere over \$74 million this year, the answer would be between \$82 and \$83 million. This is the kind of calculation you get into.

Mr. JOHNSON. That is all the questions I have.

Do you have a question, Mr. Hagen?

Mr. HAGEN. I would like to ask one or two questions.

How do you meld or blend the school lunch and school milk programs together? The mechanics of it?

Mr. WELLS. Well, we have had a very considerable problem here, Congressman Hagen, because the school lunch program is centered on the type A school lunch, which requires a completely balanced, nutritious lunch, including a serving of a half-pint of milk. The reimbursement under the special milk program has been almost as much as the State gets for serving a complete, balanced school lunch under the school lunch program.

After the first year's operation, with a rather complicated historical base, we have the program where any school now in the type A school lunch program receives this year 4 cents for each additional half-pint of milk it serves beyond the half-pint which must go with the lunch in order to maintain and stay in the school lunch program.

For those schools that do not have a school lunch program, we only give them 3 cents a half-pint. You see, the school lunch program requires that the school must serve a half-pint of milk with the balanced, nutritious lunch.

Mr. JOHNSON. That they do not receive any payment for at all?

Mr. WELLS. They get it through the National School Lunch Act. They must serve that half-pint of milk. For each additional half-pint, we give them 4 cents.

For schools having just a special milk program by itself, we give them 3 cents. It does not completely and satisfactorily answer the question, but it does put an incentive for staying in the national school lunch program, instead of pulling out and saying, "We'll just sell milk and sandwiches and candy bars, and so on, on the side."

Mr. HAGEN. I understand that in California, for example, in areas as wealthy and populous, as San Diego, for instance, the schools are discovering that this contribution of 4 cents—I do not know whether it is more or less in California—was so small that the requirements for the lunch were more detrimental than the minor contribution that the Federal Government made, so they dropped out of the Federal school lunch program and set up their own.

In those instances, is it your experience that they continue the milk program?

Mr. WELLS. I think they do, Congressman Hagen. We have, as a matter of fact, endeavored to encourage the States, who have the authority to do it under the act, where they can, to put their school lunch money into the schools that are the most needy or in lower income areas. We do not think it bothers a city with a relatively high school lunch program to drop out if they use the money where it is most needed. Many States prefer just to level everything out and not

take on the burden of separating it. But many States do have a variable program in the State.

Mr. HAGEN. Let us take a school that has been participating in the school lunch program that decides to quit and supply their own school lunches under their own standards. They could conceivably leave the milk out of their lunch and take the Federal milk. Is that what they do?

Mr. WELLS. Exactly.

Mr. HAGEN. So then you have not really increased consumption of milk there; you have merely substituted one form of consumption for another.

Mr. WELLS. The first year we had this program in operation, we tried to establish a standard to use as a base, and we found ourselves with all kinds of administrative and operative and audit questions. We found that the first year we only spent \$17 million. We came before either a subcommittee or the full Agriculture Committee, Congressman Johnson, and explained the situation and the kind of complaints we were running into, and proposed a simplification which would take the type A school lunch program as a base, and pay a sum across the board to the school, otherwise.

We recognized that in doing this, we would not get a 100 percent increase in consumption, but nevertheless, when we made this change, we jumped our participation from \$17 million to \$40 million the next year, and I doubt if the lack of efficiency or the milk we paid for which had been served the year before amounted to more than \$3 or \$4 million, leaving a net \$36 million increase.

As I say, this is what you pay for simplification. We thought enough about this and came up and told the committee about it and said that we thought the General Accounting Office would call it to our attention, as they did, subsequently.

Mr. HAGEN. The bill that is on the Senate floor, is that for \$74 million.

Mr. WELLS. You now have an act which the Congress passed the last session, extending the special milk program for 3 years. It is not an appropriation; it is an authorization to use not to exceed \$75 million of Commodity Credit funds each year through June 1961.

There are now a number of Federal bills to increase that amount.

Mr. HAGEN. I understand that, but is your increase in the school milk program on the floor now?

Mr. GARBER. No, that is the school lunch program.

Mr. WELLS. This is an authorization for the use of Commodity Credit funds in lieu of price support.

Mr. HAGEN. I see. So this school milk money does not go through the Appropriations Committee at all as a direct appropriation?

Mr. WELLS. The original argument was that we were buying surplus dairy products and piling them up with Commodity Credit Corporation inventories and it would be much better to get the milk to school children. The Agriculture Committee provided what they call the special milk program, which authorizes the use of Commodity Credit Corporation funds.

Mr. HAGEN. So you circumvent the Appropriations Committee that way.

Mr. WELLS. The Appropriations Committee is fully aware of this situation.

Mr. JOHNSON. There are some bills in the Congress that would take this from the Agriculture Committee and put it over in the Appropriations Committee.

Mr. WELLS. The Appropriations Committee gets it when CCC goes before it to get funds.

Mr. JOHNSON. There is one question in my mind. I have given this information—the Department has—in the form of a hearing. What percent of the schools now are participating in the school milk program?

Mr. GARBER. There are about 80,000 schools presently in the program, and I understand that there is a total school enrollment in the Nation of about 39 to 40 million children that are eligible for this program. Now, if all of them in these 80,000 schools were to participate, that would perhaps reach some 30 million of these 39 to 40 million children that are eligible.

Mr. WELLS. What you are saying is that about 75 percent of the children have this available.

That is not 75 percent of the schools, Congressman Johnson.

Mr. JOHNSON. I thought it was around 50 percent.

Mr. GARBER. There are around 120,000 or 125,000 schools, I think, but there are some smaller schools and rural schools that——

Mr. JOHNSON. That do not participate.

Mr. GARBER. Yes.

Mr. WELLS. Let me make this comment, too. Mr. Garber said that this is available to about three children out of four, but that does not mean that each one of them participates each week or each day or each month, and there is a difference between those participating and those to whom it is available.

On the other hand, school lunches and special school milk are available to quite a few more children than are actually participating in any 1 day.

Mr. JOHNSON. Then it is the recommendation of the Department that it stay at \$75 million?

Mr. WELLS. The Department feels that worrying about how much it takes in funds and going forward toward the end of the year without knowing where you stand, raises quite a few questions. In the interest of economy and good administration, it is the Department's recommendation that the \$75 million be let stand. I am frank to say that if we let it stand, we shall have to reduce rates about one-half cent because there are a lot of schools that would like to come in and we would like to keep an open-end program.

Mr. JOHNSON. Speaking about coming back for new money for school milk, you do not close down the Department of Agriculture because you need some supplementary appropriation for agriculture; do you? You come back every year for supplementary appropriations for the Department.

I think that I am correct in saying there is usually a supplementary appropriation bill, and the Department of Agriculture is included in it.

Mr. WELLS. You are correct that there are always emergency items of one kind or another that have to be brought forward as supplemental authorizations. But I still think that, by and large, we like to keep these down. And since this was started as an offset to the Commodity Credit Corporation dairy product purchases, since the dairy program is in much better shape now than it has been, and since

the administration does believe that the States and communities should help bear the cost of this program, the recommendation is that the program stand as now authorized. This is further strengthened, I think, by the fact that the program only has 2 more years to run under the language as now written.

Mr. HAGEN. I may be asking some questions which were answered earlier during my absence, but what percent of schools are engaged in what might be described as bulk dispensation, rather than a little bottle; that is, bulk containers from which can be drawn a glass of milk?

Mr. WELLS. My guess is that it is in half-pint containers.

Mr. DAVIS. There is considerable bulk used and has been used in the school lunch program but I do not think we would be able to hazard a guess as to any percentage. There are local restrictions on the use of bulk milk in a number of places, I would say that by far the majority would go in small containers.

Mr. HAGEN. Who does the actual procuring of the milk?

Mr. GARBER. The schools themselves. Each school or the school district at the local level.

Mr. JOHNSON. Do they send in proof through their State office from the sales slips of the milk they buy?

Mr. GARBER. They verify the extra milk that they have in the program, send it to the State educational office, and then they are reimbursed on the basis that we have outlined—4 cents, 3 cents, and 2 cents.

Mr. HAGEN. They have the utmost latitude in the price they pay; do they not?

Mr. GARBER. Of course, we encourage them to get as good a price as they possibly can, but we do not enter into that part of it. That is their business.

Mr. WELLS. In all fairness, Congressman Hagen, I would say that the local school board, in the management of the school lunch program, has a great deal of latitude. I think you will find that on the whole these are very good citizens indeed; they are quite proud of the program, and the effort is made and usually has the cooperation of the local dairy and distributing interests to get this milk to the children as cheaply as possible. There are places where the community or the State puts up enough money so that this is free milk.

There are other places where it is penny milk; in other places, it is 2 or 3 cents. There are places where, under the regular type A school lunch program, they are serving the milk in special containers, rather than in half pints. We think it is rather efficiently run.

Each State administers its own program and has its own audit system, but in addition to that, we have an auditing and appraisal service in the Agricultural Marketing Service, and we sample a considerable number of schools and school districts each year in every State, except those who have taken special steps to set up systems that meet our audit requirements. Even there, of course, we reserve the right to go in and sample it.

Mr. HAGEN. What is the net cost, on the average, of that pint of milk to the school?

Mr. GARBER. About 6½ cents for the half pint of milk.

Mr. HAGEN. So there is approximately 2½ cents of local money?

Mr. GARBER. Two and a half to three cents.

Mr. JOHNSON. Some of the schools collect it from the schoolchildren; do they not?

Mr. GARBER. Oh, yes. Most of the schools charge the schoolchildren for the difference.

Mr. JOHNSON. In cutting back the program as you are proposing, it would probably mean that the children who would need milk the most would be the ones that would drop out. Maybe it is a penny, but maybe their folks would say, "No more school milk." Is that right?

Mr. WELLS. I should not express the judgment, perhaps, but I do not much think so. I think there are places where, instead of free milk, they would have penny milk, but I do not think this would substantially change the participation. To the extent that you have community and State funds, they have the right to put that to work, and this we argue they should do. We have, on our own, however, made this as a flat price across the board.

Mr. HAGEN. If you increase the authorization as you propose, to \$80 million; is that right?

Mr. JOHNSON. Congressman Quie and about 10 of us here wanted to increase it to \$85 million, I believe.

Mr. QUIE. Yes.

Mr. HAGEN. If that happened, that would increase the percent of Federal contribution.

Mr. JOHNSON. No; it would allow them to expand the program. They are proposing to cut it back now. Where they are paying 4 cents to schools that are in the class A school lunch program, they are going to give them 3½ cents. Where they are getting 3 cents in the school milk program, they are going to reduce it to 2½ cents. They are going to leave the summer camp where it is.

Mr. WELLS. There is no firm agreement on these, but these are the adjustments that will be necessary.

Mr. HAGEN. However, if you increase the authorization, you will probably increase your allowance?

Mr. JOHNSON. No; they will allow the program to grow, though. The program has grown about \$8 million in this fiscal year ending June 30. It may grow another \$3 million, \$5 million, or \$8 million.

Mr. QUIE. Even though we have had an authorization of \$75 million, that has not been used in the past. They set up a program and if enough schools do not come into it, they do not use the full amount authorized. Even though we authorized the use of \$85 million in years hereafter, it is conceivable that they would not use that \$85 million.

Mr. HAGEN. I see. And the amount the school gets per half pint is an administrative decision in the Department of Agriculture, Commodity Credit Corporation?

Mr. WELLS. Yes. We originally set the rate of payment at a level which we thought would bring in substantial participation and get the people acquainted with the program. We now think we can maintain and somewhat increase the program at a lower rate.

Mr. HAGEN. How does the school that has no lunch program—first of all, I assume that there are schools that have no lunch program that participate in milk programs; is that right?

Mr. WELLS. Many of them.

Mr. HAGEN. Typically, how do they handle that milk and disperse it?

Mr. DAVIS. Well, they have used a number of different methods. In a lot of places, they arrange for the milk to be delivered, iced, at about the time when it is to be served—at recess, at lunch time, or in the afternoon—so they just stack it up and one of the teachers takes the money and they pass out the milk, sometimes using the students to do that. They purchase refrigerators in which to store the milk—open-top refrigerators—and the children can go along and just take out their milk as they pass through.

In a number of places, they have installed vending machines to do this. I do not know that there is any typical way. I would say that probably the largest percentage use some sort of refrigerator and some sort of self-serving arrangement.

Mr. HAGEN. The point I was going to make is that I think the school lunch program has fallen behind, and probably if you expanded the school lunch program, you would also, assuming the authority was there, expand the milk program.

Would that be a rational conclusion?

Mr. WELLS. The type A school lunch program must include a half pint of milk. One of the problems of the special milk program has been to keep it from getting in the way of the school lunch program, which we think is a better program, in the sense that it is a complete, balanced lunch. Now, assuming that a child can have only one thing for lunch, milk is the best thing that child can have. Now, if a school does not have a kitchen or does not have cooks, they can handle the special milk program with much greater ease.

Mr. JOHNSON. Congressman Quie, do you have a question?

Mr. QUIE. Yes, I have a question or two.

I was wondering, Mr. Wells, if a school puts in a vending machine, can they do this of their own volition, or do they have to check with you to see that it meets certain sanitary standards?

Mr. WELLS. They do it of their own volition. Usually, a State has its own school lunch director or superintendent of school. If we would find one that does not meet our standards, in our audit, we would act. But we are trying to run a decentralized program and let the States have some responsibility.

Mr. QUIE. Do you have any instances where there has been a problem with vending machines?

Mr. WELLS. I cannot think of any.

Mr. DAVIS. We have one further regulation on the program and that is how much the school is allowed to take out of the Federal contribution for handling costs. In other words, we require that the maximum amount possible of the Federal contribution be used to reduce the price to the child. We do not say that the price to the child has to be reduced the full 4 cents; but they can use part of the total income for equipment.

Now, there have been instances where vending machine operators have requested a greater payment than we allow, and we have said in those instances that that is not possible, because it means that the Federal contribution is going for other purposes, to a greater extent than it should, rather than reducing the price to the child. There have been some instances of that. But we have never prohibited the use of the vending machine.

Mr. QUIE. Is the reason that you prohibited the use of a vending machine, the fact that it would be so much more expensive than putting milk in an open-top refrigerator or even putting it on ice?

Mr. DAVIS. No, sir; we do not think so. There are quite a few vending machines being used over the country.

Mr. WELLS. As a general policy—there are some exceptions—we try to insist that the amount of the Federal 3 cents or 4 cents per half pint that is used for distribution not exceed 1 cent. There are some exceptions, and we have granted some on this. There are machine operators who would like to use much more for this purpose, but I think we are justified in saying this program is chiefly for the children.

Mr. JOHNSON. In the cases you turn down, the vending machine operator wants to get some of this school money.

Mr. DAVIS. Actually, Congressman, we have not turned them down. It is entirely in the hands of the local school authorities to make their own contracts for machines or equipment. However, we have told them that if this means that more than the 1 cent, or more than a justifiable amount, not to exceed 1.9 cents, is required, that they cannot make such a contract.

Mr. WELLS. They cannot use our funds to make it. They can use their funds.

Mr. PIRNIE. That would be one of the major points as an auditor—to make sure that this payment is accurate.

Mr. DAVIS. The auditors look into the payments for milk: The number of half pints the schools purchase, the price they charge the child, and the amount they got from the Federal Government. They add it all up and see whether it is in line with the requirements.

Mr. JOHNSON. Are there more questions? Congressman Coad, do you have a question?

Mr. COAD. No, thank you.

Mr. QUIE. Will you yield, Mr. Johnson?

Mr. JOHNSON. Yes, Congressman Quie.

Mr. QUIE. Do I understand, Mr. Wells, that it does not make any difference to you whether the appropriation comes under Commodity Credit Corporation funds or general funds?

Mr. WELLS. Well, this is an authorization to use Commodity Credit Corporation funds. Our testimony is directed specifically to that particular point. If the proposal were to use general agriculture funds, or to make it a permanent one, then I think the Department would want a completely separate statement. The legislation as it now stands authorizes the use of Commodity Credit Corporation funds through June 1961. I think both Congress and the administration thought this 3-year extension was worthwhile, both from the standpoint of the children and the country.

Mr. JOHNSON. On that point, I believe that in the last session of Congress, I wanted to introduce legislation to set it up on a permanent basis. At that time, the Department said it was not ready.

Mr. WELLS. He asked me if it would make a difference, and I said, "Yes."

Mr. JOHNSON. Have we come to the point where we are ready to make it a permanent program and take it out of the Commodity Credit Corporation?

Mr. WELLS. I think not, Mr. Chairman.

Mr. JOHNSON. Then you are not ready yet.

Mr. QUIE. Mr. Wells, have you stated, in the record so far, the past history of how the authorization for the special school milk program was increased?

Mr. WELLS. Assistant Secretary Miller appeared before the full Committee on Agriculture in March, and I believe there is a hearing here which has the record and statistics.

So we did not try to. We shall be happy to put it at this point in the record.

Mr. QUIE. All right.

Mr. JOHNSON. Mr. Wells?

Mr. WELLS. I would be happy to have a very simple table at this point in the record.

Mr. JOHNSON. Yes, so that we do not have to look through the other hearings to find it.

Mr. QUIE. If it is short, why do you not review it right now? Give us the years and the amounts.

Mr. WELLS. We shall insert this in the record.

In the year 1955, we had 41,094 outlets participating for a milk consumption in half-pints of 449.8 million at an expenditure of \$17.1 million. This was the year 1955, when we had all the complicated school bases and we got the schools in an awful mess.

In 1956, we had 62,266 outlets participating, with an expenditure of \$45.9 million, for an increase in expenditures over the previous year of 168.4 percent.

This progresses through 1958 until 1959, when our best estimate is that the expenditures this year will exceed \$74 million, and may approach \$75 million.

I shall submit this for the record.

(The table referred to is as follows:)

SITUATION ON FUNDS AVAILABILITY FOR SPECIAL MILK PROGRAM, FISCAL YEAR 1958-59

BACKGROUND

The special milk program was first authorized in the Agricultural Act of 1954 to increase the consumption of milk by schoolchildren and the program was initiated in September of that year. As shown in the following table, the program has experienced a rapid rate of growth.

Special milk program—Participation, milk consumption, and expenditures, fiscal years 1955-59

Fiscal year	Number of outlets participating	Milk consumption (million half pints)	Expenditures (million dollars)	Increase in expenditures over previous year
				Percent
1955-----	41,094	449.8	17.1	
1956-----	62,266	1,394.2	45.9	168.4
1957 ¹ -----	71,239	1,752.7	60.5	31.8
1958-----	76,478	1,918.2	66.3	9.6
1959 (estimate)-----	² 80,000	2,175.0	75.0	13.0

¹ In addition to schools, program was extended by Congress to summer camps and other child-care institutions.

² Does not include summer camps. Summer camps in summer of 1957, 2,220; summer of 1958, 3,026.

Mr. HAGEN. Mr. Chairman, I want to ask the question: There is no distinction made among the schools with respect to parochial and public schools? Parochial schools participate also?

Mr. WELLS. Yes. The only difference here is that some States have laws which prevent the department of education in the State from serving anything but public schools, in which case we have to administer this through our regional office.

Mr. HAGEN. In California there are government-operated child-care centers. They were started by the Federal Government during the war and supported by the Federal Government but subsequent to the war, the State took over operation of these child-care centers for working mothers who met certain income qualifications; in other words, their income was not above a certain point. Would those centers be eligible under the present law?

Mr. WELLS. Yes, we have what we call a summer camp and child-care program.

Mr. HAGEN. These are not summer camps.

Mr. WELLS. As I say, we have a summer camp and child-care program. Let me explain this a minute so that the committee will know what is involved.

In the case of the school, we have certain bases and certain measures. In the case of summer camp and child-care centers, quite obviously, you always have to have milk at those places. What we have done is submit a program which requires them to meet certain standards. The increase there will not be as great as it has been in the schools or in the school-lunch program where the half pint of milk is in addition to what is given on the lunch. So there we require an approved plan of operation. The result is more milk being used, for which we give them a payment of 2 cents per half pint.

Mr. HAGEN. They are eligible, these child-care centers?

Mr. WELLS. Yes, and they get 2 cents a half pint.

Mr. GARBER. The chairman of this committee amended the law to make that possible.

Mr. HAGEN. I do not know what other States have this child care, but I know they have them in California.

Mr. JOHNSON. I put through the bill that made that law back in 1956.

Mr. HAGEN. Let me congratulate you.

Mr. JOHNSON. I wish to congratulate Mr. Garber and Mr. Davis for the wonderful job they are doing in the Department on the school-lunch program. I only wish they would come up here to ask for more money, instead of saying that they can get along on \$75 million. We from the dairy area want to see that milk consumed. It kind of irks us when the city people complain about all the money the farmer is getting.

We want to see the children drink milk. Of course, I realize that you do not make the policy, but I hope that you will keep increasing and expanding the program, if we get the money to you.

Mr. WELLS. We want to see them drink milk in the schools, and we also want to see them drink milk in their own homes, when they leave the schools and use their own money.

Mr. JOHNSON. I notice that the youngsters—we older folks like to have our coffee, but I note that the youngsters stick to milk when they are 23 and 24, sometimes 27 and 28 years old.

Mr. PIRNIE. That is why we are quite interested in the question of dispensers, thinking that was one of the main obstacles to more effective distribution. They are not as readily available, in most places where children congregate. If we can get something that is simple, sanitary, and effective, I think we can use it.

Mr. WELLS. We in the Department want that in schools. We would also like to see it in industrial plants and other places.

Mr. QUIE. It is amazing the amount of milk that is consumed. When I was in the State senate, we had a coke machine where we congregated for lunch and they put in a milk machine, too. All the time that the legislature was in session, through the whole 90 days, I only saw six cokes consumed. Yet the dairies had quite a time keeping their dispenser filled because of the amount of milk that was used.

Mr. HAGEN. Mr. Quie is a living testimonial to the virtue of drinking milk.

Mr. JOHNSON. Our next witness is Mr. George Bickel, editor of Rocky Mountain Union Farmer, Denver, Colo.

**STATEMENT OF GEORGE BICKEL, EDITOR, ROCKY MOUNTAIN
UNION FARMER, DENVER, COLO.**

Mr. BICKEL. Mr. Chairman, I am from Denver and represent the Rocky Mountain Farmers Union, which comprises Wyoming and Colorado. However, I appear here, and if I may read a statement from the Farmers Union, representing all of our 26 States.

I would like to say, if I might, to this committee, that we would like to commend very heartily Chairman Harold Cooley for the appointment of Mr. Lester Johnson to head this committee and also to commend the work you are doing in behalf of dairy farmers, in behalf of farm people generally, in behalf of the schoolchildren of the United States, and the consumers, because this has a direct effect on them.

We would like to commend the action of the subcommittee, which did result in the Congress authorizing \$3 million additional funds for the school-milk program this year.

Mr. QUIE. May I interrupt? I would like to take credit as a member of the subcommittee, but I always find it dangerous to take credit where credit is not due. It was the full committee where the hearings were conducted, rather than the subcommittee.

Some of the members of the full committee may mention it to us.

Mr. BICKEL. We shall certainly stand for that correction to include your addition, Mr. Congressman.

Mr. JOHNSON. Chairman Cooley thought it was important enough to call it before the full committee at the time.

I want to interrupt at this point. I want to ask Mr. Garber, have you the chart, shown on page 10, revised so that it can be put in right after your statement?

Mr. GARBER. No, sir; this chart we could, perhaps, bring more up to date now, which would show that we do not use—would not need quite the amount of money that this chart shows.

Mr. JOHNSON. Well, if there is no objection, you will put it in the record, when it has been prepared, after your testimony.

Mr. GARBER. That is right.

(The material referred to is as follows:)

SPECIAL MILK PROGRAM

A total of \$74,308,900 available for reimbursement of milk served to children in schools and child-care institutions has been advanced to the administrative units of the various States. We have not obtained from these State agencies additional estimates of needs since February. However, we have advised all States of the \$3 million increase in the total authorization for this year and have requested them to advise us if they have need for additional funds over what has been advanced. We have received requests from only two States (North Dakota, \$22,500; and Nevada, \$1,655) which are currently being reviewed. We have asked all State agencies to report by June 15 their estimated total expenditure for the

fiscal year. The following table provides the total amount of funds that have been advanced to each administrative unit.

Special milk program—Advancement of funds, fiscal year 1959

Administrative unit	Amount of initial reserve ¹	Additional funds advanced to agencies	Total funds advanced to agencies
State agencies: ²			
Alabama.....	\$1,014,601	\$61,009	\$1,075,610
Alaska.....	16,700	1,015	17,715
Arizona.....	306,580	19,453	326,033
Arkansas.....	604,970	36,569	641,539
California.....	6,781,409	429,944	7,211,353
Colorado.....	481,950	31,747	513,697
Connecticut.....	723,875	45,954	769,829
Delaware.....	166,950	10,585	177,535
Delaware State Hospital.....	12,173	2,691	14,864
District of Columbia.....	358,726	21,778	380,504
Florida.....	1,038,860	66,096	1,104,956
Georgia.....	944,416	56,088	1,000,504
Hawaii.....	128,607	4,554	133,161
Idaho.....	157,748	10,098	167,846
Illinois.....	5,388,255	305,862	5,694,117
Indiana.....	1,609,088	99,562	1,708,650
Iowa.....	1,352,822	78,954	1,431,776
Kansas.....	757,819	46,070	803,889
Kentucky.....	1,137,327	68,906	1,206,233
Louisiana.....	475,650	-4,739	470,911
Maine.....	242,025	14,672	256,697
Maryland.....	1,135,230	70,824	1,206,054
Maryland Department of Budget and Procurement.....	18,706	6,594	25,300
Massachusetts.....	2,698,262	155,680	2,853,942
Michigan.....	3,393,352	205,736	3,599,088
Minnesota.....	1,673,139	53,584	1,726,723
Mississippi.....	903,503	56,190	959,693
Missouri.....	1,912,233	114,596	2,026,829
Montana.....	124,691	5,085	129,776
Nebraska.....	336,569	19,973	356,542
Nevada.....	51,182	3,181	54,363
New Hampshire.....	186,245	11,209	197,454
New Jersey.....	1,545,980	107,485	1,653,465
New Mexico.....	313,266	19,768	333,034
New York.....	8,395,800	506,459	8,902,259
New York Division Standards and Purchase.....	97,805	42,123	139,928
North Carolina.....	1,192,412	71,701	1,264,113
North Dakota.....	180,652	11,598	192,250
Ohio.....	3,516,999	217,586	3,734,585
Ohio Department of Public Welfare.....	85,981	41,519	127,500
Oklahoma.....	785,057	47,235	832,292
Oregon.....	440,484	26,990	467,474
Pennsylvania.....	2,817,892	180,524	2,998,416
Rhode Island.....	288,414	18,390	306,804
South Carolina.....	433,497	27,592	461,089
South Carolina Dairy Commission.....	47,145	19,193	66,338
South Dakota.....	314,114	6,090	320,204
Tennessee.....	1,475,871	60,767	1,536,638
Tennessee Department of Agriculture.....	21,870	-3,205	18,665
Texas.....	2,088,902	126,377	2,215,279
Utah.....	157,368	-1,749	155,619
Utah Department of Public Welfare.....	6,585	590	7,175
Vermont.....	143,640	335	143,975
Virginia.....	1,221,283	73,042	1,294,325
Washington.....	1,038,736	62,992	1,101,728
West Virginia.....	362,280	3,633	365,913
Wisconsin.....	1,987,557	62,000	2,049,557
Wyoming.....	137,898	8,204	146,102
Total.....	65,231,151	3,846,759	69,077,910
Area offices: ³			
Northeast.....	852,165	116,649	968,814
Southcast.....	369,547	22,349	391,896
Midwest.....	2,713,737	166,533	2,880,270
Southwest.....	630,418	-----	630,418
West.....	337,365	22,227	359,592
Total.....	4,903,232	327,758	5,230,990
Grand total.....	70,134,383	4,174,517	74,308,900

¹ Based upon 105 percent of State estimated expenditures during fiscal year 1958.

² Represents State educational agency unless otherwise indicated.

³ For program needs in schools and child-care institutions where program is not administered by a State agency.

Mr. QUIE. Mr. Chairman, there are other groups that would like to present testimony, or, anyway, a written statement. Will they have this privilege?

Mr. JOHNSON. Yes, I was going to take care of that.

Mr. QUIE. I have to get over to another committee meeting so I thought I had better mention it now.

Mr. JOHNSON. Yes; all right.

You may continue, Mr. Bickel.

Mr. BICKEL. Thank you, sir.

We feel that this is a very excellent report on H.R. 5247, prepared by the subcommittee, which was reprinted as the report of the Senate Agriculture Committee, a further tribute to the work of the Subcommittee on Dairy and Poultry and its staff.

This has been very important, we think, even on the Senate side.

The additional \$3 million for the school milk program this school year will not permit expansion of the program to additional schools and children. It will only permit the operation of the program at its current level, and, as testified by representatives of the Department of Agriculture here, even envisions a reduction.

There are numerous bills before the subcommittee to expand the school milk program in 1960 and 1961. We will not attempt to discuss individual bills, but to present for your consideration facts which we feel justify greater expenditures, and certainly by no means a reduction, for the school milk program in succeeding years of operation.

The Senate has passed a bill, S. 1289, to increase funds by \$5 million in each of the school years 1959-60 and 1960-61. We believe this is the absolute minimum by which the program should be expanded and we call your attention to the fact that, as introduced, S. 1289 called for a \$10 million increase for 1959-60 and \$15 million increase for 1960-61. Should the House approve additional funds it appears, therefore, that there is a good chance of the Senate concurring.

In 1954-55, the first year of operation of the school milk program, the enrollment in public and private schools was 34.8 million. In the 1958-59 school year total school enrollment was up to 40.7 million, an increase of 5.9 million children or 14.5 percent over 1954-55. Participation in the school milk program has developed at a faster rate than school enrollment due to the relatively slow beginning of the program. In 1954-55, expenditure was \$17.1 million; in 1955-56, \$45.9 million; in 1957, \$60.5 million; and in 1957-58, \$66.3 million. The maximum authorization was reached only this year after 5 years of administration of the program.

We have secured these figures from the Department of Health, Education, and Welfare and they are pertinent to the hearing.

In 1957-58, the latest school year for which information on the school milk program is complete, 76,478 schools participated out of a total of 146,732¹ eligible schools. Thus 48 percent of the schools that appear to be eligible for participation in the school milk program do not now have such a program.

¹ From the Department of Health, Education, and Welfare:

Public elementary.....	104, 427
Nonpublic secondary.....	26, 046
Nonpublic elementary.....	12, 372
Nonpublic secondary.....	3, 887
Total.....	146, 732

I believe you asked for this figure, Congressman.

Mr. JOHNSON. That is right.

Mr. BICKEL. Therefore, only 52 percent are participating that are eligible at this time.

Many of these schools do not serve midday lunches and do not have refrigeration equipment necessary for the program. However, these deficiencies will be corrected and, I might add, are being corrected at the time, creating the need for additional funds. This is true in our State in this regard.

In 1957-58, there were 1,917,000 half pints of milk served in the school milk program. While it is impossible to arrive at the total number of children who purchased milk sometime during the course of the school year, it is obvious that this is not a sufficient quantity of milk to provide on a daily basis a half pint per day to even one-third of the total eligible public and private elementary and secondary school enrollment. Assuming a half pint per day and 180 schooldays, only 10.7 million children could be assured of a half pint of milk per day on a continuing basis under the level of operation in effect in 1957-58. With total primary and secondary school enrollment at 39.1 million in 1957-58, it is evident that increasing demands will be made on the school milk program, especially if school administrators lend a hand in making the milk program a significant part of the school program. Many schools have outstanding records of participation in the milk program.

Then we have the records on the increase in school enrollment jumping from 40.7 million in 1958-59 on a projected basis by the Department of Health, Education, and Welfare, to 43.7 million in 1960-61.

The official school enrollment projection of the Department of Health, Education, and Welfare through 1960-61 is as follows:

1958-59	40.7
1959-60	42.2
1960-61	43.7

Incidentally, in 1964-65, it will go to 47.2 million children in school.

With a school enrollment increase of 7.5 percent expected by 1961, the increase in funds approved by the Senate will be adequate only if the expansion of the program is directly related to the increase in school population. In other words, the increase approved by the Senate will be adequate only if the program is continued without any additional participation except that occurring as a result of increases in school enrollments.

We appreciate the opportunity to present our views to the subcommittee.

If I might, Mr. Chairman, I would like to add that from my own personal knowledge of the program in the western States of the Rocky Mountain area, 2 years ago, the superintendent of the Denver public schools made a statement in response to a great deal of criticism then leveled at the schools as a result of our lag in relationship to sputnik and scientific developments. He said that one of the major obstacles to rapid learning in the Denver public schools was the result of undernourishment of some one-third of the school enrollment and Denver is not a depressed area, as you know.

Questioned further in this regard, he extended his statement to say that a third of the youngsters appearing, especially in the lower

grades, each day were handicapped in their ability to acquire knowledge by lack of sufficient breakfast and sufficient nourishment in what breakfast they had.

The dairymen of Colorado responded to this; within a 2-week period, 600 had signed an agreement to give free, to the Denver public schools, the surplus quantity of their milk supply. This had a very salutary effect and forced a whole rash of meetings of parent-teacher groups and dairy farmers and others and we found that in the Denver public schools only about half the schools had a school milk program.

We have increased that to 90 percent in the 2-year period.

I think this might be typical of the need of public understanding of the tremendous importance of this program.

I would like, in closing, to say again that we cannot comment too forcefully on the fact that by no means should there be a cut in this very significant program, both to the health of the Nation's young people and to the welfare of the segment of agriculture greatly dependent on the moving of a product which, despite statements to the contrary, some 30 percent of which, in our State, of the milk supply, is still in surplus and, as surplus, commanding only about some 40 percent of parity price.

I believe that is all, other than to thank you, Mr. Chairman, for this opportunity to present our point of view on this program. We feel it is one of the best things done by the Department of Agriculture and the public schools.

We have noticed some replacement, as the Congressman mentioned here, in competition with the bottled beverages in the schools where school boards have replaced these machines with milk machines and greatly added to the health of young people. This, in itself, is certainly a worthy contribution to public health and welfare as well as a contribution to the dairy industry.

Mr. JOHNSON. Thank you, Mr. Bickel.

Mr. BICKEL. If there are any questions, I shall be glad to try to answer them.

Mr. HAGEN. I would like to ask a question.

Mr. JOHNSON. Mr. Hagen.

Mr. HAGEN. Do peak periods in milk production coincide generally with the term of the school year?

Mr. BICKEL. No, they do not, in that, as you know, some sections of the country still having the long summer vacations and the peak period being in the spring, June and July, in milk in our section of the country, they do not.

However, with the dehydrating process moving in more heavily in the peak period, this has been worked out satisfactorily.

Mr. HAGEN. You do not use reconstituted milk in the schools?

Mr. BICKEL. Not in the schools, but I mean with their moving in in the peak period.

Mr. HAGEN. Have there ever been any complaints about the method of procurement of the school milk, going to cost, the mass dispensation methods, versus the small bottles, and competitive bids, and various other aspects?

Mr. BICKEL. Yes, this came up in terms of the Denver situation, and the dairy processors' response to the shortage, to the fact that only part of the schools in Denver were using milk, was that this was

a very expensive process to distribute it in these small cartons and they were going to have to increase the price.

I might say that because of the public interest, they were unable to do this. I am afraid that, as an example from the West, we do not have as many big situations of this kind, and in the small rural schools, some have purchased the dispensers with the athletic club or the honor society buying them for \$200, \$300, or \$400, and then giving them to the schools as a contribution of the senior class.

This has instigated a whole series of very worthwhile projects of that type that are gradually getting this problem solved as to their ability to handle it. And then they are served directly by private institutions, of course.

Mr. JOHNSON. Thank you, Mr. Bickel.

Mr. BICKEL. Thank you, sir.

Mr. JOHNSON. Mr. Garber, before you leave, I am wondering if you could furnish a chart showing the percent of participation in the school milk program, State by State? For instance, what is the percent of participation?

Mr. GARBER. By schools?

Mr. JOHNSON. Yes; in the State of Wisconsin, for example, how many schools are there and how many are attempting to participate in the program.

Mr. GARBER. We shall try to get that.

Mr. HAGEN. Why not get figures on the summer camps and the rest?

Mr. GARBER. The summer camps—that is so hard, Congressman Hagen.

Mr. JOHNSON. I would like to have you show the number of summer camps participating, but I do not know if you can show the percentage.

Mr. GARBER. We can on the schools.

(The material referred to follows:)

The information supplied in the following table on the number of schools participating in the special milk program requires special explanation. Under the special milk program, reports from States show the number of individual school buildings or units in which the program operates. On the other hand, data collected by the U.S. Department of Health, Education, and Welfare on the total number of schools in each State refers to the total number of elementary and secondary school departments even though one school building may include both elementary and secondary grades. Under this system of classification, a single school building housing grades 1 to 12 would be counted as two schools.

The Census Bureau's count of the number of public schools by State represents the number of individual school buildings or facilities and is therefore comparable to the system followed in State reports on the number of schools participating in the special milk program. The Census Bureau data have therefore been used in the following table to reflect the number of public schools in each State. Data on the number of nonpublic schools was obtained from the U.S. Office of Education.

Special milk program—Number of schools and child-care institutions participating, fiscal year 1959

State	Total number of schools in State ¹	Number of schools ² participating in milk program	Percent participation of total schools	Number of child-care institutions participating ³
Alabama.....	2,568	1,475	57	17
Alaska.....	199	30	15	2
Arizona.....	575	477	83	6
Arkansas.....	1,407	1,054	75	7
California.....	5,562	5,329	96	59
Colorado.....	1,371	916	67	18
Connecticut.....	1,108	751	68	9
Delaware.....	206	143	69	13
District of Columbia.....	248	192	77	2
Florida.....	1,532	1,285	84	37
Georgia.....	2,169	1,595	74	32
Hawaii.....	308	185	60	4
Idaho.....	620	421	68	3
Illinois.....	5,584	4,308	77	50
Indiana.....	2,544	1,802	71	28
Iowa.....	4,567	2,198	48	10
Kansas.....	3,563	1,172	33	14
Kentucky.....	3,667	1,522	42	26
Louisiana.....	1,695	959	57	28
Maine.....	1,262	817	65	17
Maryland.....	1,334	1,033	77	35
Massachusetts.....	2,719	2,405	88	41
Michigan.....	5,863	4,434	76	22
Minnesota.....	3,853	2,603	68	6
Mississippi.....	2,018	1,046	52	10
Missouri.....	4,261	2,951	69	12
Montana.....	1,371	348	25	2
Nebraska.....	4,368	712	16	9
Nevada.....	205	135	66	13
New Hampshire.....	610	355	58	13
New Jersey.....	2,353	1,494	63	56
New Mexico.....	709	567	80	3
New York.....	5,853	4,678	80	67
North Carolina.....	2,168	2,016	93	40
North Dakota.....	2,571	424	16	1
Ohio.....	4,270	3,561	83	87
Oklahoma.....	2,539	1,165	46	18
Oregon.....	1,391	831	60	4
Pennsylvania.....	6,554	4,644	71	92
Rhode Island.....	433	298	69	6
South Carolina.....	1,349	1,043	77	55
South Dakota.....	3,067	505	16	6
Tennessee.....	3,115	2,246	72	23
Texas.....	5,043	2,877	57	34
Utah.....	480	324	68	6
Vermont.....	654	396	61	1
Virginia.....	2,324	1,447	62	13
Washington.....	1,525	1,273	83	15
West Virginia.....	3,080	1,004	33	11
Wisconsin.....	5,549	4,501	81	13
Wyoming.....	544	211	39	-----
Total.....	122,928	78,158	64	1,076

¹ Source: Public elementary and secondary school data for 1956-57 school year from U.S. Department of Commerce, Bureau of Census. Nonpublic elementary and secondary school data for 1955-56 school year from U.S. Department of Health, Education, and Welfare, Office of Education.

² Preliminary data for fiscal year 1959.

³ Preliminary. Does not include summer camps.

Mr. McINTIRE. Mr. Chairman, I should like to extend my apologies to you and to the witnesses for being late. I had a private bill which was being heard this morning, with out-of-town witnesses, and it was necessary for me to be there.

Mr. DIXON. Mr. Chairman, I have another committee in session, too.

Mr. JOHNSON. Off the record.
(Discussion off the record.)

Mr. JOHNSON. Our next witness is Mr. Harvey Allen, past president of American School Food Service, now with the New York Board of Education.

Mr. HAGEN. Mr. Chairman, I should like to ask Mr. Wells one question.

Mr. GARBER. Mr. Wells has gone.

Mr. HAGEN. Well, Mr. Garber, did the school lunch program ever enjoy a similar authorization to the milk program where they did not have to go to the Appropriations Committee for earmarked appropriations?

Mr. GARBER. No, sir. The school lunch program became law in 1946, and at that time it authorized an appropriation from the regular Treasury of the Nation.

Mr. HAGEN. And that is a permanent statute, however?

Mr. GARBER. It is a permanent statute.

Mr. HAGEN. In contrast to this?

Mr. GARBER. That is right. We appear before the Committee on Appropriations for this appropriation each year.

Mr. JOHNSON. Before we go on with Mr. Allen, we have a statement from Mr. William H. Meyer, of Vermont, who has legislation before the committee, and one from Mr. Robert W. Kastenmeier, of Wisconsin, also one from Mr. George McGovern, of South Dakota, a member of this committee.

I think it is in order that authors of legislation, if they care to, may file statements, and any others may file them with the clerk of the committee and they will be placed in the record.

STATEMENT OF HON. WILLIAM H. MEYER, A REPRESENTATIVE IN CONGRESS, AT LARGE, FROM THE STATE OF VERMONT

Mr. MEYER. I appreciate this opportunity to indicate my support of H.R. 5248 and related bills. I am pleased to join in this effort to expand our special milk program, and have already introduced H.R. 5604, a bill which would provide for the increased authorization which the subcommittee is now considering.

The special milk program, under which milk is provided to children in schools, in nonprofit care centers, and in certain summer camps, is an important one for our children and deserves widespread support. During the current year over 2 billion half-pints of milk will be consumed as a result of this program. Approximately 80,000 schools and camps participate in the program, and about 22 million children benefit.

The bills now under consideration would expand the special milk program during the next 2 fiscal years, and would bring the program in line with anticipated increases in school enrollment.

As this committee knows, on March 23, H.R. 5247, which authorizes an increase in appropriations to this program to meet a deficit of funds for the present fiscal year, was passed by the House. It has since become law. But this is a short-term remedy only. Without an expanded program to meet the growing school-age population, numerous States will again face shortages and will be forced to curtail their programs. It seems only reasonable and practical to expand the program to meet expected needs.

I urge the committee to approve the proposal for an expanded program, and thereby help contribute to the health and welfare of our children through this very important program.

STATEMENT BY HON. ROBERT W. KASTENMEIER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. KASTENMEIER. Mr. Chairman and members of the subcommittee, I want to thank you for this opportunity to speak in behalf of H.R. 5248 and my companion bill, H.R. 5408, which would authorize expenditures for the special school milk program.

It gives me great pleasure to appear before you today in support of this legislation which would provide an abundant supply of fluid milk to the schoolchildren of our Nation for the next 2 years.

The special milk program has been one of the most successful programs handled by the Department of Agriculture.

The Lodi, Wis., public school in my own district in Wisconsin was the first school in the Nation to participate in the special milk program. In September 1954, when the program was instituted, some 530 pupils of the Lodi school were served fresh fluid milk in half-pint containers. Since then, the program has grown steadily until today some 22 million boys and girls from about 80,000 schools and summer camps are participating. The milk consumption under this program will exceed 2 billion half-pints of milk this year.

Mr. Chairman, this bill not only continues the now widely accepted program but provides for its future growth. The last appropriation called for some \$75 million, and there was need for a supplemental \$3 million to continue the program through the current school year. The new bills would provide \$85 million a year for the fiscal years beginning July 1, 1959, and July 1, 1960.

This \$85 million a year, it seems to me, represents a worthy investment in the children of our country. I believe it is far better to use Commodity Credit Corporation funds to encourage the young people of our country to drink more milk than to use this same money to purchase surplus butter, cheese, and dry milk for storage.

From a practical viewpoint, the choice is simple. Commodity Credit Corporation funds can be used to provide milk for children, or if the milk is not consumed by the children, the Government can purchase more surplus dairy products.

Mr. Chairman, I have every confidence that the members of this Subcommittee on Dairy and Poultry will make what I feel is the correct and humanitarian choice.

STATEMENT OF HON. GEORGE S. McGOVERN, A REPRESENTATIVE IN CONGRESS FROM THE 1ST DISTRICT OF THE STATE OF SOUTH DAKOTA

Mr. McGOVERN. Mr. Chairman and members of the committee: I am pleased to appear before this committee in support of the proposal that I believe has the overwhelming endorsement of the American people. I refer to the school milk program which has meant so much in recent years to the health and well-being of America's schoolchildren.

I am the sponsor of H.R. 5600, a bill which would increase this year's appropriation for the special milk program from \$75 million to \$80 million. The bill calls for authorizations for fiscal 1960 and 1961 of \$85 million and \$90 million respectively. The modest increases in the legislation reflect the growing school population of the Nation.

Department of Agriculture investigations revealed earlier this year that some 38 States are confronted with a deficit in the existing milk program amounting to \$3,378,569. To meet that situation the Congress has approved supplemental funds to the extent of \$3 million for fiscal 1959.

Mounting school enrollments indicate clearly that we will need a moderate expansion in school milk funds for fiscal 1960-61.

At a time when we are conscious of the abundance of American agriculture and are concerned about mounting surpluses, it seems to me that it would be inexcusable for us to deny the benefits of the school milk program to our children. This is one aspect of the Department of Agriculture's operation that has the enthusiastic support of all farm organizations.

I trust that the committee will approve H.R. 5600 or similar legislation.

(The statements referred to above are as follows:)

STATEMENT OF HON. HUBERT H. HUMPHREY, UNITED STATES SENATOR FROM MINNESOTA

The special school milk program, inaugurated in 1954, has proved its value both to the producers of milk and to the schoolchildren who have had the opportunity to participate in its benefits.

The bill, S. 1289, passed by the Senate, authorizing the expenditure of \$80 million for this program in each of the fiscal years 1960 and 1961, should in no way be considered as an attempt to stabilize the program at this level. On the contrary, the bill also provides that the Department of Agriculture shall report to the Congress each year 3 months prior to the end of the school year as to the need for additional funds to maintain the full operation of the program.

It is visualized that if an adequate milk program is administered with due regard to the nutritional needs of this country's children, there will be a need for additional funds. From the information available on the expected expansion of our school age population, and the desirability of including more school outlets in the program, I anticipate that the need for funds would be as high as \$85 million in fiscal 1960 and \$90 million in 1961. S. 1289 as introduced contained an authorization of these amounts. Let me repeat that the bill as amended and passed by the Senate is not a refutation of this expected need.

Many school superintendents in my State of Minnesota have expressed to me their recognition of the value of the special school milk program in providing more nutritionally adequate lunches to more children. They have also expressed concern about possible cuts in the Federal contribution to the cost of the program in the State and the resulting contraction of the program. We should not lose sight of the fact that in this land of plenty there are still many hungry and undernourished children. This is a grave responsibility which can be discharged only by continual awareness and appropriate action on the part of the Congress.

I commend the Dairy Subcommittee of the House Committee on Agriculture for bringing to light the expressed intention of the Department of Agriculture to stabilize a program which should be expanded for the national welfare. With this information, I am confident that the Congress will realize that it is necessary to give firm direction to the Department of Agriculture in order to secure the continuation of an expanding special school milk program.

STATEMENT OF HON. ANCHER NELSEN, A REPRESENTATIVE IN CONGRESS FROM
THE 2D DISTRICT OF THE STATE OF MINNESOTA

Mr. NELSEN. I appreciate the opportunity to appear before this subcommittee in its consideration of the school milk program.

The school milk program has broad acceptance, not only among dairy farmers and schoolchildren, but among the people of this Nation generally.

About 80,000 schools presently are in the program, and a total school enrollment of close to 40 million children are eligible throughout the Nation. More schools and more children want to participate and the growth of this program since 1954 can be expected to continue.

I am the sponsor of H.R. 5430 which would increase this year's authorization of Commodity Credit Corporation funds from \$75 million to \$80 million. The bill further authorizes \$85 million for the school milk program in fiscal 1960 and \$90 million in fiscal 1961.

These increases are modest in nature, and are designed to meet the needs of our growing school population, and to allow schools not now participating, to join in this program. I do not expect that this increased authorization will lead to the Federal Government paying a bigger share of the cost of the glass of milk a school child drinks and I am glad that our national economy is strong enough today so that we do not have to consider such an increase.

As a dairy farmer, I know that we are better off so far as dairy surpluses are concerned, than we were in 1954 when the school milk program was instituted. But with the surplus of farm commodities that we have, we must continue to promote a better market for all our agricultural products. This is especially justified in a program which has the merit and the broad support of the school milk program.

For these reasons, it would seem that any emphasis that could be directed to this program, through passage of H.R. 5430 or similar legislation now under consideration, would be fully justified and in the best interests of everyone concerned.

STATEMENT OF HON. ODIN LANGEN, A REPRESENTATIVE IN CONGRESS FROM THE
9TH DISTRICT OF THE STATE OF MINNESOTA

Mr. Chairman and members of the subcommittee, I have joined certain of my colleagues by introducing a bill which would increase the amount of funds made available for the special milk program for fiscal 1960 and 1961, to provide for the larger school enrollments which these years will bring.

Earlier in this session the Congress passed, and the President signed, a bill providing supplementary funds for the special milk program for this year, to cover expected deficits facing 38 States at that time. With the increased numbers of children enrolled in elementary and secondary schools which the next 2 years will bring, even greater deficits will be forthcoming unless we prepare now for them.

The proposal which I have introduced would amend the present annual allocation of \$75 million, providing an additional \$10 million in fiscal 1960 and \$15 million in 1961.

The special milk program is a good program. Since its inception in 1954, it has provided increased numbers of children in nursery, elementary, and secondary schools, as well as those in child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children, with increased amounts of milk to satisfy their health needs. In 1954, almost \$450 million half pints were consumed. In 1956, this consumption was increased to more than 1,394 million half pints. And this year it is estimated that over 2 billion half pints will be consumed under this plan.

We must provide for this increase in both children and milk consumption, for unless we do, this fine program will be severely curtailed to the extent that States will be required to tell their schools and camps to decrease the amount of milk provided for their children.

Not only is the special milk program a good program from the aspect of the health of our children, it is a successful program with regard to the dairy industry and our dairy products surplus. Taken together with the school lunch program, it represents 3.5 percent of all the fluid milk consumed by our nonfarm population. The choice we have to make is whether we want to continue to encourage this drinking of milk by our schoolchildren or use the money to purchase surplus dairy products under present price-support programs.

Because this program benefits both our schoolchildren and our dairy industry, I respectfully urge the approval of this amendment.

Mr. JOHNSON. Mr. Harvey Allen is past president of the American School Food Service Association and comes here from the New York school system, I believe.

STATEMENT OF HARVEY ALLEN, PAST PRESIDENT, AMERICAN SCHOOL FOOD SERVICE ASSOCIATION

Mr. JOHNSON. Mr. Allen, are you connected with the New York schools?

Mr. ALLEN. Yes, Mr. Chairman.

Mr. JOHNSON. Going back a little, I have a letter here from the Chief State School Officers, Washington, D.C., which will be filed.

(Letter referred to is as follows:)

COUNCIL OF CHIEF STATE SCHOOL OFFICERS,
Washington, D.C., May 20, 1959.

HON. LESTER JOHNSON,
Subcommittee on Dairy and Poultry,
House Agriculture Committee,
Washington, D.C.

DEAR CONGRESSMAN JOHNSON: I am taking this means of endorsing H.R. 5248 which provides for \$85 million for the continuation of the school milk program in each of the school years 1959-60 and 1960-61. School administrators have found that children want to drink more milk and they have cooperated in arranging for serving of milk at the appropriate times throughout the schoolday. No doubt additional schools will take advantage of this program as problems of handling and refrigeration can be solved.

The bill, S. 1289, passed by the Senate, which increases funds for the school milk program in the years mentioned above, is a step in the right direction. However, with school enrollments expected to increase by nearly 3 million children between now and 1961, the \$5 million annual increase provided in S. 1289 will not permit any greater percentage participation of the total enrollment than exists at the present time.

Today only approximately one-half of the public and private elementary and secondary schools are participating in the special milk program. Only a few of these schools conduct milk programs outside the school milk program. Many of the schools that do not participate in the special milk program do not provide lunches.

Any consideration you may give to these views will be sincerely appreciated.

Sincerely,

EDGAR FULLER,
Executive Secretary.

Mr. JOHNSON. What is the connection between your State and Gordon Gunderson?

Mr. ALLEN. I am director of school lunches for the New York City Board of Education, but I appear here as the representative of the American School Food Services Organization, a voluntary organization of some 16,000 members who are directly engaged in the operation of the school lunch and school milk programs. I am here in place of Gordon Gunderson who would normally represent our organization in these matters, but Mr. Gunderson was prevented from appearing because his father was stricken ill and he must remain at his bedside.

Our organization welcomes the opportunity to present its point of view with respect to the bills which are under consideration, because we have a vital interest in the school milk program.

Off the record.

(Discussion off the record.)

Mr. ALLEN. Mr. Gunderson has given me permission to draw upon the excellent statement which he presented to the full committee in

March in support of an increase in the authorization for the current year. I would like to use part of that, particularly because Mr. Gunderson used certain factual information that he emerged from some careful research studies, facts which are in direct contrast with the conjectures which Mr. Wells offered to the committee this morning.

Also, I would like to reaffirm certain information that Mr. Gunderson presented which cites declarations and actions by the U.S. Department of Agriculture which make the Department's present position appear most paradoxical.

The school milk program, as the committee is well aware, is drawing to the close of its fifth year of operation.

During these 5 years, there has been a steady growth at an ever-increasing rate until we are now serving more than 20 million children in some 76,000 schools and child care institutions, with a consumption of more than 2 billion half-pints of milk in 1958.

This accomplishment is in consonance with the objectives declared in the enabling legislation.

In its statement of the specific objectives to accomplish the intent of the Congress, the U.S. Department of Agriculture declared that the Department of Agriculture believes that a many-sided approach is necessary to realize the potentialities of the program. It hopes that the program will, first, make the service of milk possible to schools or eligible child-care institutions not now serving milk; second, encourage a larger percent of children to drink milk in those schools and child-care institutions where milk is now available; and third, offer an opportunity to those children now drinking milk to drink more milk, if they so desire.

Reimbursement funds available under the special milk program will make possible reductions in the price at which milk is offered to children, and enable schools and institutions to make more milk available for consumption by children.

The Department recognizes that a price reduction is but one of several ways in which increased milk consumption can be encouraged; other ways include the establishment of new times for and their method of serving milk, and continuing efforts to better acquaint children with the importance of drinking adequate amounts of milk.

Planning for increased efforts along these lines necessarily must rest largely in the hands of interested State and local groups. The special milk program provides another opportunity to assist in local efforts to improve the diets and health of children.

In this connection, I would wish to point out that the Congress, by its authorization of funds, determines the extent to which the price of milk can be reduced. The other means of achieving increased milk consumption by children, referred to by the Department of Agriculture, depend upon the interest and enthusiasm of the school administrators. Uncertainties with respect to the adequacy of the funds to support the program are not likely, I submit, to foster the interest and enthusiasm which is essential to achieve these objectives.

The State agencies and the local agencies having the responsibility for the administration of the program have accepted the declared policy of the Department of Agriculture at its face value. They have sought and have obtained the cooperation and services of farm organi-

zations, milk distributors, and national, State, and local agencies and organizations concerned with the health and welfare of children.

These united efforts have made possible the expansion of the program to the point where it is evident that the funds presently authorized for 1960-61 will not be adequate to meet obligations under the terms of existing agreements with participating schools during the next 2 years.

What will be the effect if insufficient funds are provided for maintaining present rates of reimbursement is a question with which I am sure your subcommittee is much concerned.

These are some of the answers to that question.

The respective State and local agencies will be obligated to take one or more of the following actions:

Reduce rates of reimbursement to all participating schools to a point which will permit the continuation of the program throughout the school year, or continue payments at the present contractual rates until funds are exhausted and then terminate the contract sometime during the course of the year, and third to reject all new applications for participation.

The major effects of such action would be these:

1. An immediate reduction in the consumption of milk, and I shall illustrate this in the effect it would have in New York City. However, as Mr. Gunderson previously pointed out, the Wisconsin experiment—and I believe there were similar studies and experiments in at least 11 other States—concerning the effect of price reductions upon consumption of milk by schoolchildren proved conclusively that, (a) the greater the price reduction, the greater was the increase in consumption; (b) reduced prices resulted in increased numbers of children drinking milk in school; and (c) the increased milk consumption at school was new consumption, not the replacement of home consumption.

2. Total exclusion from participation, or reduced consumption by children from low-income families would also result from the actions which be imposed upon the sponsors of milk programs. A study conducted in St. Louis in 1955-56 showed that pupils in elementary schools serving low-income districts drank about 171 percent more milk, other than with meals, and students from the middle-income districts drank about 157 percent more during the 1955-56 school year than in the previous year. Pupils in the schools serving high-income districts increased their consumption by only 44 percent. The increase demonstrates a greater effect on those in the lower income school districts when price was reduced.

I think it would be a very reasonable and tenable conclusion to draw that if the reverse were true, if prices were increased, it would follow that the children in the least favored areas of our communities would be the ones whose consumption would be most badly affected.

The third point which Mr. Gunderson made at that time, and which is valid for your consideration in coming years, is that a reduction in the rates of reimbursement would have an impact upon participation in the coming year.

Whether or not a school faced with reduction and reimbursement or a possible cancellation of its contract before the end of the school year would consider renewing its contract for another year, of course, is conjectural.

However, the lack of a guarantee of continuous payment at full rates of reimbursement throughout the school year would very likely inhibit many schools from continuing the program.

I would like also to cite some data which I have not heard presented earlier today. It is in terms of the significance of the program in your dairy economy. Applying the formula that 100 pounds of 3.5 percent milk will produce 2 pounds of butter and 8.5 pounds of nonfat dry milk solids, or 9 pounds of American cheese, shows that the 2 billion half-pints of milk consumed by our schoolchildren in the past fiscal year would have produced more than 43 million pounds of butter, plus more than 72 million pounds of nonfat dry milk or more than 92 million pounds of American cheese. I believe that it is reasonable to assume further that much of this would have found its way into Government warehouses because the additional butter and powdered milk or cheese would not have been eaten by these schoolchildren since they are already consuming these products from Government-donated stocks at the maximum possible rate of consumption.

It appears, therefore, that we face the problem of providing additional funds with which to finance the special milk program, or face the probable even greater problem of purchasing and disposing of additional surplus dairy products.

The American School Food Service Association supports the proposition that the needed funds be made available for the continuation of the special milk program at full capacity, and at the full rate of reimbursement for the next 2 years as a health-giving, sound economic program for all concerned.

We are not in a position to recommend a specific amount of increase in the authorization; however, in view of the testimony adduced this morning by official witnesses, to the effect that the maintenance of the current rates of reimbursement, plus the normal growth of the program that can be anticipated, would require more than \$80 million during the next fiscal year, certainly suggests a necessity for providing authorization in excess of \$80 million for 1960, and a further increase for the growth that might reasonably be anticipated for 1961.

We suggest that, since these constitute authorization of funds, it is desirable that the authorization be adequate to guarantee that the claims that will be rendered will be possible of reimbursement, and that these guarantees be available at the beginning of the school year; that the school administrators not be obliged to risk the possibility that if shortages and deficiencies develop, the provision will be made at or near the close of the year. Their determinations as to starting a program must be made before the opening of school, and a guarantee of adequate funds would make a substantial difference in the number of programs that would be operated.

Here I would like to cite, as a specific illustration, precisely what the problem of a school district is.

In New York City we welcomed the special milk program and took immediate steps to utilize the funds that were being made available to the fullest possible extent.

We extended the program into all of our schools, something over 1,000. We made the milk available to a school population of over 1 million. The superintendent of schools made a statement of policy with respect to the importance of this program to the health of the children and to their scholastic achievement. Classroom

teachers intensified their efforts to persuade children to the importance of milk in their daily diets.

Moreover, we embarked upon a program to substitute for the standard 8-ounce container of milk a third-quart container of 10½ ounces. This required the 30 or more milk distributors in our city to make certain expenditures to adapt their packaging equipment to this new-sized container.

We launched this program and it has proved quite successful in terms of achieving the objectives of the legislation, and here is a point which I would wish to make insofar as the importance of the school milk program to the total dairy economy. While Mr. Wells has indicated that the consumption represents 2½ percent of the total milk production, a relatively small percentage can have an important effect. This is what happened in New York State.

In 1954, and 1955, we had experienced a decline, a steady decline in the price of milk that the producer received. Following the inauguration of our special milk program in New York City, and particularly with this immediate increase of 33½ percent that resulted from the third-quart container idea, in the place of an increase in the volume of milk production, this decline in the price paid to the producer was arrested, and the milk marketing administrator found that there had been no change in any pattern of consumption except this change in the consumption of milk in our schools.

So that it would appear that our consumption in the schools had a direct and important bearing upon the income of the dairy producers of the State of New York.

This, I suggest, is an important consideration, particularly when we revert, if I may, to the statements made by Assistant Secretary Miller before the full committee in March.

Secretary Miller pointed out quite properly the important part which the Department had played in encouraging schools to enter the school milk program, to extend it to more and more children, to encourage the increased consumption of milk. He also cited, as did Mr. Wells this morning, the fact that the situation with respect to the Department's inventories of manufactured dairy products today stands in considerable contrast to the position of 1954-55, that the Department now appears to take the position that since this has been accomplished in these 5 years, the need for further expansion of the program appears to have ceased to exist. We submit that it is important, from the viewpoint of the dairy farmer, to insure that this new and important market for fluid milk be maintained, that no action be taken which might have the result of diminishing the market with the result that this favorable trend, insofar as inventories of manufactured dairy products, might be reversed.

I shall conclude, Mr. Chairman, with some comments on the testimony which Mr. Wells has presented to the committee this morning.

Mr. Wells offered as his opinion the conjecture that if rates of reimbursement were reduced, if the present level of authorization be maintained at \$75 million for the next 2 years, there would be no decrease in consumption. This is in direct contrast with the studies which have been made and with the facts which have emerged from those studies.

It is in direct contrast with my own knowledge that if rates of reimbursement are reduced, we, in New York City for example, will not be able to continue our usage of one-third quart containers because we shall not be able to give, as we do give, without charge to the child, that additional milk on the school lunch program. Because we do give the difference between a half-pint and a third-quart without any charge to the child, to every child who takes lunch to school, plus the third-quart for every child who drinks the milk separately.

I am confident that this same situation confronts other communities, so it is not a matter of opinion, so much as a matter of fact that the resultant increase in the selling price of milk would have the inescapable effect of reducing the consumption of milk. It would have the inescapable effect of preventing the extension of the program to many new schools, to schools that would otherwise be inclined to enter the program.

Mr. Wells said, for example, that the Department desires to keep the program open for new schools, to encourage more and more new schools to come into the program. We suggest that reducing the rates of reimbursement definitely militate against the achievement of this objective.

Mr. Wells said, further, that the Department hopes that more and more children and adults will be inclined to drink milk at home and to pay the full price for it. We submit that the schools of the Nation have done and continue to do an outstanding job in teaching children to accept and drink milk, that there is compelling evidence that the present per capita consumption of fluid milk, particularly by young adults, is directly attributable to the experience and the instruction which they had in school. We submit that if the objectives of the Congress, the objectives which the Department of Agriculture consistently supports, are to be fully achieved, it is essential that an adequate authorization be provided to maintain the present rates of reimbursement and to permit all of the schools that would like to participate to do so.

We, therefore, suggest that the program be permitted to continue to enjoy its normal and its natural growth, and that this not be the time to seek to stabilize it at its present level.

We are grateful for the opportunity, Mr. Chairman, of offering this viewpoint and we hope that it will enable the committee to arrive at the conclusion which will be in the interests both of the dairy farmers of our Nation and the schoolchildren and other children who participate in the benefits of the program.

Thank you very much.

Mr. JOHNSON. Thank you, Mr. Allen.

I shall again say that I think it is wonderful to have a city man come and talk country language. I think it shows, also, how important this agricultural legislation is to a city like New York, when a man administering the school lunch program of the city of New York, takes the time to come out and talk to this committee. I am sorry that Mr. Gunderson could not come, but am very glad we were able to have a man from the city of New York. Are there questions?

Mr. McINTIRE. I have two short questions.

Mr. Allen, you speak of the potential of this program. What do you envision? I mean, as to how much potential there still is for ex-

panding this program? Let us put it in a monetary figure—\$78 million for fiscal 1959?

What does that represent? Fifty percent, seventy percent of the potential, or what would be your opinion?

Mr. ALLEN. This is a very difficult question to answer. Any statement that I would offer would be the greatest form of conjecture. I believe that official witnesses have testified that the number of schools presently in the program is 78,000 but that there are as many as 120,000 schools in the Nation.

Mr. JOHNSON. If I may interrupt, I think the schools with higher enrollments of students are now in the program. When you say 52 percent of the schools are in and 48 percent are out, it does not mean that 52 percent of the schoolchildren are in. The percent of schoolchildren now participating is higher.

Am I right in that, Mr. Garber?

Mr. GARBER. I think so; yes.

Mr. ALLEN. That is true, but we are talking now in terms of 22 million schoolchildren, as against something slightly less than 40 million. So it is still not much over 50 percent, so there would appear to be a substantial potential which has not yet been realized, and I think the interesting point is the rate of growth. As the program goes along, the rate of growth appears to be accelerating so that, in the past year, that rate of growth exceeded the rate of growth of the previous year.

One of the reasons—this is purely opinion—that may be affecting this is this one: A good number of schools that are not in the program are not in the program because they do not, at the moment, see their way clear to operating on a nonprofit basis. They do offer milk to their children but they offer it at a price which yields them a modest profit, which they use to support other school activities. I think this would be particularly true of our various parochial schools, of all faiths. They are hard put to meet their expenses. However, as the program grows, as it becomes better known, there is increasing pressure of public opinion upon these schools.

The parents of the children attending private schools where the child pays 10 cents for a half pint of milk are beginning to ask how come my neighbor's child who attends the public school across the street can buy milk for 2 or 3 cents, and more and more this force of public opinion is persuading schools to enter the program so that each year I think there is a momentum built up, a greater understanding and knowledge of the program, a greater desire on the part of parents whose children are not benefiting at the present time, to have their children share in these benefits, with the result that I believe that this rate of growth might well continue for another year or two. How far we have still to go, I could not venture an opinion.

Mr. McINTIRE. My second question, Mr. Allen—

Mr. ALLEN. I beg your pardon. I would offer this opinion, that the way to find out is to provide the necessary authorization of funds. This is to put it to the test, what is the natural growth, what is the natural potential.

Mr. McINTIRE. My second question is, does the association for which you are speaking this morning look upon this program as a temporary program?

Mr. ALLEN. We are obliged to do so because the Congress has put it on a temporary basis—2 years—3 years, now.

Mr. McINTIRE. You are speaking of your support of a specific bill. But my question is broader than that. If a bill were introduced here which made this a permanent program, compared to the bill which supports it for another 2 years, which bill would you be supporting, all other factors being equal?

Mr. ALLEN. There, again, I could not give a yes or no answer. It would depend on the nature of the bill. If it were a bill to provide for the continuation of the program indefinitely with the use of Commodity Credit Corporation funds, I believe that our inclination would very definitely be to support such a proposal.

On the other hand, if the bill were to provide that this now be considered not primarily as a price support measure, but rather as a child health measure, and that it should now be a matter of annual appropriation, then I am inclined to think that our position might be different for fear of competing with the school lunch program appropriation. Anything that would tend to prejudice the school lunch appropriation, we would feel it absolutely necessary to oppose, because, as Mr. Wells said, school administrators do consider the school lunch program as the important program because it provides the complete and balanced meal, including milk, and this is, of course, completely in line with our educational objective to teach the child to accept a complete and balanced diet.

So there, the question—the answer to the question would depend on the nature of the proposed legislation.

Mr. JOHNSON. If there are no further questions—Have you one, Dr. Dixon?

Mr. DIXON. No.

Mr. JOHNSON. I believe that we have a rollo call.

We shall adjourn the meeting. We are glad you could come and we wish to thank you very much for your wonderful testimony.

Mr. ALLEN. Thank you, Mr. Chairman.

(The following statement and letter have been submitted to the subcommittee:)

STATEMENT OF E. M. NORTON, SECRETARY, NATIONAL MILK PRODUCERS
FEDERATION

This statement is submitted in support of the efforts to assure adequate financing for the special milk program for children during the next 2 fiscal years. The position of the National Milk Producers Federation on this subject is identical with that presented to the full Committee on Agriculture of the House of Representatives on March 17, 1959.

The National Milk Producers Federation is made up of cooperatives whose membership is dairy farmers. Therefore, the federation speaks only for producers. At the present time, there are over 800 dairy farmer cooperatives whose membership represents the preponderant percentage of farms producing milk on a commercial basis.

Since its inception in 1954 this program has continually progressed—a real tribute to congressional leadership and cooperation among Federal, State, and local agencies, school officials, and parents. Reference to program statistics shows that the objectives set by the Congress are being realized—more milk is being consumed in schools and in child-care centers and summer camps, and, therefore, the acquisition of dairy products by the Commodity Credit Corporation has been directly decreased. This means that more children are getting more milk in school than ever before. It means that costs for purchasing and storing dairy products under the price support program are lower. It means that more children are developing the habit of including milk in their diet. It means that

children, through this program, are improving the nutritional level of their diets. It means that CCC purchase of dairy products will be less, thereby decreasing the depressing effect Government stocks have on producer prices.

During each of the past 3 years the program has shown significant increases in school participation and in milk consumption. This year, the number of schools participating increased 5 percent over last year which was 7 percent over the year before. The number of one-half pints of milk consumed over this same period went up from 1.9 billion to an estimated 2.1 billion this year, if the current level of program activity continues for the remainder of this year. Program progress and needs can best be shown by the attached table showing, by State, the increase in the number of outlets and the number of one-half pints of milk reimbursed during November 1958 compared with November 1957. Unless assurance is given by the Congress that adequate financing will be available estimates of participation and plans for increasing program activity by State and local school officials would be modified to the point where program activity could become static with virtually no progress possible. This is contrary to the original objective of the program.

A cutback in progress because of inadequate financing could mean not only decreased nutritional improvement for children participating, but increased Government purchases and storage of dairy products. The question is, therefore, Shall we continue to utilize the proved mechanics of this program to make better nutrition available to a vulnerable segment of our population through this constructive use of our abundance, or should we depend on Government purchase and storage programs?

The fact that the special milk program has made it possible to move this quantity of milk through normal channels of trade and at more favorable producer prices, adds support to the merits of the program. A fuller realization of the significant contribution the program is making toward lessening the amount of Government dairy product purchases, thereby tending to lessen the threat of Government-owned products on the commercial market, is made when we are mindful of three basic facts in the current dairy picture. No. 1, the estimated annual excess milk production over commercial needs is only 3.5 percent. No. 2, it is axiomatic in our industry that some excess production is needed to meet unexpected needs. No. 3, the twice daily harvest of our production and the daily marketing plus the factor of perishability intensifies the adverse effect a small percentage of excess has on the bargaining position of dairy farmers. Dairy farmers are very much aware of this situation just as the purchasers of their raw product are aware of it. It is understandable, therefore, that we would place great emphasis on programs such as the special milk program which has resulted in a broadening of the base of consumption.

Tremendous strides are being made in the program. The momentum generated under the program; the increasing annual school enrollment—from 33.2 million in 1954 to 39.1 million in 1959—and the need of assurance to school officials that the program will be adequately financed call for immediate action. We support those provisions in H.R. 5433 introduced by Representative Quie and similar bills which would assure administrative officials that adequate funds are and will be available to continue progress in the program during the next 2 years. We urge that the Congress authorize the expenditure of \$85 million for the fiscal year 1960; and \$90 million for the fiscal year 1961. We point out that the extent of the use of these authorizations for funds will depend on program progress.

We hope that this committee will give favorable consideration to the proposed legislation.

Special milk program—Number of outlets participating and number of ½ pints reimbursed, November 1957 compared with November 1958, preliminary

	Number of outlets participating			Number of ½ pints reimbursed		
	November 1957	November 1958	Percent increase	November 1957	November 1958	Percent increase
Alabama.....	1,395	1,472	5.5	3,265,000	3,508,000	7.4
Alaska.....	24	25	4.2	52,000	54,000	3.8
Arizona.....	412	447	8.5	1,109,000	1,355,000	22.2
Arkansas.....	1,024	1,036	1.2	1,435,000	1,648,000	14.8
California.....	5,001	5,312	6.2	19,878,000	23,854,000	20.0
Colorado.....	885	933	5.4	1,818,000	1,841,000	1.3
Connecticut.....	648	772	19.1	2,059,000	2,469,000	19.9
Delaware.....	134	141	5.2	543,000	559,000	2.9
District of Columbia.....	184	194	5.4	1,479,000	1,543,000	4.3
Florida.....	1,193	1,313	10.1	3,509,000	4,071,000	16.0
Georgia.....	1,519	1,621	6.7	2,490,000	2,728,000	9.6
Hawaii.....	176	186	5.7	504,000	470,000	-6.7
Idaho.....	373	420	12.6	497,000	576,000	15.9
Illinois.....	4,030	4,586	13.8	14,694,000	16,065,000	9.3
Indiana.....	1,598	1,813	13.5	4,648,000	6,044,000	30.0
Iowa.....	2,088	2,166	3.7	3,879,000	4,426,000	14.1
Kansas.....	1,109	1,156	4.2	2,042,000	2,386,000	16.8
Kentucky.....	1,378	1,500	8.9	2,866,000	3,381,000	18.0
Louisiana.....	931	980	5.3	1,107,000	1,131,000	2.2
Maine.....	793	824	3.9	908,000	959,000	5.6
Maryland.....	975	1,095	12.3	3,572,000	4,438,000	24.2
Massachusetts.....	2,357	2,419	2.6	7,837,000	8,420,000	7.4
Michigan.....	4,210	4,399	4.5	12,225,000	13,314,000	8.9
Minnesota.....	2,500	2,570	2.8	5,033,000	5,933,000	17.9
Mississippi.....	1,013	1,031	1.8	2,435,000	2,783,000	14.3
Missouri.....	2,926	2,937	.4	4,692,000	5,358,000	14.2
Montana.....	326	349	7.1	420,000	423,000	.7
Nebraska.....	677	702	3.7	1,307,000	1,435,000	9.8
Nevada.....	99	129	30.3	227,000	281,000	23.8
New Hampshire.....	349	366	2.0	491,000	546,000	11.2
New Jersey.....	1,359	1,530	12.6	4,467,000	5,245,000	17.4
New Mexico.....	504	565	12.1	1,965,000	2,331,000	18.6
New York.....	4,517	4,658	3.1	19,988,000	21,435,000	7.2
North Carolina.....	2,003	2,049	2.3	3,337,000	3,955,000	18.5
North Dakota.....	357	386	8.1	611,000	871,000	42.6
Ohio.....	3,341	3,580	7.2	12,823,000	13,970,000	8.9
Oklahoma.....	1,094	1,185	8.3	2,332,000	2,751,000	18.0
Oregon.....	775	821	5.9	1,262,000	1,380,000	9.4
Pennsylvania.....	4,333	4,454	2.8	9,728,000	10,672,000	9.7
Rhode Island.....	299	303	1.3	820,000	843,000	2.8
South Carolina.....	1,012	1,083	7.0	1,355,000	1,726,000	27.4
South Dakota.....	446	491	10.1	942,000	1,141,000	21.1
Tennessee.....	2,140	2,238	4.6	4,211,000	5,008,000	18.9
Texas.....	3,226	2,891	-10.4	5,784,000	6,709,000	16.0
Utah.....	323	338	4.6	448,000	515,000	15.0
Vermont.....	377	323	-14.3	381,000	415,000	8.9
Virginia.....	1,399	1,438	2.8	3,510,000	4,167,000	18.7
Washington.....	1,162	1,274	9.6	2,708,000	3,071,000	13.4
West Virginia.....	981	1,004	2.3	1,088,000	1,083,000	-.5
Wisconsin.....	4,333	4,481	3.4	7,335,000	7,991,000	8.9
Wyoming.....	175	202	15.4	376,000	404,000	7.4
Total.....	74,483	78,178	5.0	192,492,000	217,682,000	13.1

Source: U.S. Department of Agriculture, March 1959.

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., May 26, 1959.

Congressman LESTER R. JOHNSON,
Chairman, Dairy and Poultry Subcommittee,
Committee on Agriculture, House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN JOHNSON: A number of bills referred to the Subcommittee on Dairy and Poultry propose to increase the funds available for the special school milk program by adding from \$5 million to \$10 million to the \$75 million authority now available until 1961. The Senate approved bill, S. 1289, would provide \$80 million for 1960 and 1961 fiscal years to be made available out of the funds of the Commodity Credit Corporation.

This program, first authorized in 1954, has given about three-fourths of our schoolchildren the opportunity to have a half-pint of milk per day at school. This additional consumption has been of assistance to dairy farmers in avoiding the accumulation of surplus dairy products in storable form.

After 5 years of operation most local school officials have availed themselves of the opportunity to participate in the program. We recommend to your subcommittee the provision of \$80 million for the years 1960 and 1961 as provided in the Senate bill, an increase of \$5 million above the present authority.

We would also suggest that the additional \$5 million be handled as an administrative reserve to meet the inevitable variations inherent in such a program and that the committee's report indicate the need for so handling the funds. This will eliminate the necessity which developed for special legislation to increase the fund from \$75 million to \$78 million for the current fiscal year ending June 30, 1959.

We request these views be made a part of the hearing record.

Very truly yours,

JOHN C. LYNN,
Legislative Director.

(Thereupon, the hearing was adjourned at 12:15 p.m.)

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LEGISLATIVE HISTORY

Public Law 86-163
S. 1289

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INDEX AND SUMMARY OF S. 1289

Mar. 5, 1959	Sen. Humphrey and others introduced and Sen. Humphrey discussed S. 1289 which was referred to the Senate Agriculture and Forestry Committee. Print of bill as introduced and remarks of Sen. Humphrey.
Apr. 15, 1959	Senate committee ordered S. 1289 reported with amendment.
Apr. 16, 1959	Senate committee reported S. 1289 with amendment. S. Report No. 194. Print of bill and report.
Apr. 29, 1959	Senate passed over S. 1289.
Apr. 30, 1959	Senate passed S. 1289 as reported.
May 4, 1959	S. 1289 was referred to the House Agriculture Committee. Print of bill as referred.
June 11, 1959	House subcommittee voted to report S. 1289.
July 7, 1959	House committee voted to report S. 1289.
July 21, 1959	House committee reported S. 1289 with amendments. H. Report No. 689. Print of bill and report.
July 24, 1959	Summary of S. 1289 as reported by the House Committee.
Aug. 3, 1959	House passed S. 1289 under suspension of the rules.
Aug. 6, 1959	Senate concurred in House amendment to S. 1289.
Aug. 18, 1959	Approved: Public Law 86-163.

Hearings: House Agriculture Committee:

1. H. R. 3197, etc., on March 17, 1959. Serial L.
2. H. R. 1938, etc., on May 20, 1959. Serial L, Pt.2.

DIGEST OF PUBLIC LAW 86-163

INCREASE IN SPECIAL MILK PROGRAM. Amends Public Law 85-478 so as to increase by \$6 million (to \$81,000,000) for the fiscal year 1960, and by \$9 million (to \$84,000,000) for the fiscal year 1961, the maximum amount of CCC funds which may be used for the special milk program for children in nonprofit schools of high school grade and under, and in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

86TH CONGRESS
1ST SESSION

S. 1289

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1959

Mr. HUMPHREY (for himself, Mr. McCARTHY, Mr. PROXMIRE, and Mr. WILEY) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276) is amended to read as follows: "That for the fiscal year
5 ending June 30, 1959, not to exceed \$80,000,000, and for
6 the fiscal year ending June 30, 1960, not to exceed
7 \$85,000,000, and for the fiscal year ending June 30, 1961,
8 not to exceed \$90,000,000, of the funds of the Commodity
9 Credit Corporation shall be used to increase the consumption
10 of fluid milk by children (1) in nonprofit schools of high
11 school grade and under; and (2) in nonprofit nursery schools,

- 1 child care centers, settlement houses, summer camps, and
- 2 similar nonprofit institutions devoted to the care and training
- 3 of children."

A BILL

To increase and extend the special milk program for children.

By Mr. HUMPHREY, Mr. MCCARTHY, Mr.
PROXMIRE, and Mr. WILEY

MARCH 5, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

PROVIDES GUARANTEES

An annual review so import quotas can keep pace with U.S. growth, except that at all times domestic producers' share will be guaranteed.

Supporters of this approach—who have failed in the past to obtain import quotas, higher tariffs, subsidies or other aids for domestic extractive industries—believe it will give producers here and abroad, as well as consumers, stable prices and dependable supplies.

First public disclosure of this new approach came Saturday in Denver, at the annual meeting of the National Western Mining Conference.

Senator FRANK E. MOSS, Democrat, Nevada, disclosed that he and Senator JAMES E. MURRAY, Democrat, Montana, chairman of the Senate Interior Committee, "are in agreement that there should be, in the interest of national security, in the interest of employment in the metal and mineral mines of this Nation, and in the interest of the mining industry in general, a staff study to determine if it is advisable that Congress enact legislation patterned after the Sugar Act to assure at all times domestic production of the major minerals and metals."

STUDY WELL ALONG

The staff study, it is learned, is well along and prime movers supporting the program hope to have it completed shortly.

The administration's professed liberal trade policy, plus the Democratic leadership in Congress which also generally favors freer trade, have been the chief obstacles to protection for these industries.

Further, control of the key Senate Finance Committee and House Ways and Means Committee, through which quota and tariff legislation must go, has virtually assured defeat for these proposals in past years.

However, this sugar act approach may be able to bypass these two committees.

The Sugar Act itself, which is up for extension this year, is handled by the Agriculture Committees in the House and Senate. The hope is that the Interior Committees may be able to handle the new plan.

CITES NEW ATTITUDE

Supporters are also counting for help indirectly on the administration's weakening on import quotas—as in the case of lead, zinc, and oil—and its switch in attitude on international commodity problems.

State Department officials, it is learned, have been filled in on what details have been firmed up on the minerals' program but there is no indication what the official reaction will be.

The administration is not expected to be happy with this approach, but may find it difficult to oppose in light of the restrictive actions on lead, zinc, and oil and its willingness the past year to discuss—without making any commitments—international commodity problems on cocoa, coffee, lead, zinc, and copper.

Approaching the mining industries' problems this year in this fashion, sources say, may encounter additional advantages.

GRANTS TO STATES TO ASSIST IN PROVISION OF FACILITIES AND SERVICES FOR DAY CARE OF CHILDREN

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill entitled "The Day Care Assistance Act of 1959," to authorize a program of Federal aid for the day care of children outside the home not to exceed \$25 million annually with half that amount to be allotted to States on a matching dollar-

for-dollar basis and the remainder to be administered to impacted areas in which specific Federal activities like defense work or military bases have created a special need for such facilities.

State plans for day care centers and services are to meet standards set by the Department of Health, Education, and Welfare and on approval Federal funds would become available under the bill to assist in providing care for the children of working mothers and also for those children who require special attention because they or their parents are mentally or physically handicapped.

Hundreds of thousands of children throughout the United States will continue to be the chief losers so long as we fail to recognize that providing suitable day care for the children of working mothers is a national problem which urgently requires Federal aid to activate State and local efforts in this field and to back up the outstanding voluntary programs now in effect. Until a Federal program such as the one contemplated in my bill is enacted, we are not looking after the needs of these children in households where economic necessity forces the mother to work outside the home. In cases where adequate adult supervision is not available, children are exposed to influences which lead to juvenile delinquency and the serious rise in youth crime. Also, we are not meeting the needs of an expanding national economy which cannot fully utilize the highly trained skills and services possessed by thousands of American mothers with small children who may wish to join the work force.

Six and a half million to seven million children in the United States under the age of 12 have mothers who work outside the home. Initially, the great majority of them not now served would be the direct beneficiaries of professionally staffed, well equipped day care centers established by States and municipalities under a national program. It would also lend support to the activities pioneered by voluntary groups such as the Day Care Council of New York currently carrying so much of the burden in supplying essential facilities.

To categorically blame the waywardness of the children on the delinquency of the parents in homes where children do not receive sufficient care during the day, especially after school, is grossly unfair in many instances. One-fifth of our young working mothers have little choice but to hold down full-time jobs because they are either widowed, divorced, or separated and there is no male breadwinner in the household. In addition, in families where the husband's yearly salary is under \$1,500, at least one wife and mother out of every four is working to help supplement her family's meager income so that her children may receive the bare necessities. The percentage of cases where the mother leaves her children unattended so that she can earn money to purchase luxuries is very low.

Federal assistance for children's day care is not a new concept. The Lanham Act passed in the early 1940's set up such a program but it was allowed

to lapse after the close of World War II. However, there are approximately 2 million more women in our labor force today than there were during the record war production year of 1944 when civilian manpower and womanpower was fully mobilized. Today, one out of every three workers is a woman and the proportion of young working mothers is bound to increase as we step up our entire level of industrial and business activity to meet the cold war challenges, both economic and military, posed by the Soviet Union.

The national interest will demand to an increasing degree that child day care centers and services become an integral community function especially in highly industrialized areas where working mothers are contributing to our total defense effort. Federal impetus supplied through the operations of a sensibly scaled program, allotting half to its annual authorization of \$12.5 million to the States on a matching fund basis and the rest to federally impacted areas, offers the best means for attaining that objective.

Under the terms of the legislation, the Department of Health, Education, and Welfare is charged with the responsibility of administering the program through its Children's Bureau. The bill further provides that any of the \$12.5 million in matching funds granted to States for day care and not spent for that purpose, shall be repaid; also should any State find that it does not require all of these funds allocated to it, the Secretary of the Department may reassign such surplus amounts to other States. A system of appeal and judicial review of ruling by the Secretary is also provided.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1286) to authorize the Secretary of Health, Education, and Welfare to make grants to the States to assist in the provision of facilities and services for the day care of children, introduced by Mr. JAVITS, was received, read twice by its title and referred to the Committee on Labor and Public Welfare.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO INCREASED OUTSIDE INCOME

Mr. HUMPHREY. Mr. President, I introduce a bill to amend title II of the Social Security Act so as to increase from \$1,200 to \$1,800 a year the amount of earned income a person may receive without having his social security benefits reduced.

The law now provides that persons who are 72 years of age or older may earn any amount without having their social security benefits reduced. For persons under 72, however, the maximum annual income per year which they may earn without losing any benefits is \$1,200. For each \$80 or fraction of \$80 over \$1,200 in yearly earned income, 1 month's benefits can be lost.

For example, a person who earns \$110 each month, loses 2 months' benefits

each year; a person earning \$175 each month, loses all his benefits.

I believe, Mr. President, that this present limitation on earnings is far too low. Few people would argue that social security benefits are so high that outside income is not only desired by beneficiaries, but in many cases is an absolute necessity to maintain a decent standard of living. To raise the earnings limitation by \$600 a year seems to me a most modest proposal.

I think it should be noted, also, Mr. President, that my bill would lower the barrier facing beneficiaries who do not wish to retire completely and would like to continue doing at least part-time work. Many of our older citizens have valuable skills acquired through long years of training and experience. Our Nation needs these skills, and we should be offering greater incentive to such people who do desire to work. My bill would be a step in this direction.

There is another point which also should be noted: Under present law, the \$1,200 annual income limitation pertains only to earned income, and not to pensions, dividends, interest, and insurance. For example, while a beneficiary with an annual income from investments of \$5,000 is entitled to full social security benefits, a beneficiary with an annual income of \$5,000 in the form of wages or net income from self-employment normally loses his benefits entirely.

There is, to my mind, a serious question, as to the justification for such a distinction. While my bill does not do away with the present differentiation between earned income and investment income, it does at least modify it.

For these reasons, Mr. President, I believe that my amendment would be a great improvement in the present law. I hope it will be favorably considered.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1288) to amend title II of the Social Security Act to increase from \$1,200 to \$1,800 the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Finance.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. HUMPHREY. Mr. President, on behalf of myself, my colleague from Minnesota [Mr. McCARTHY], and the Senators from Wisconsin [Mr. WILEY and Mr. PROXMIRE], I introduce, for appropriate reference, a bill that will make additional funds available for use in the special milk program for the balance of this fiscal year, and will provide for a needed expansion in 1960 and 1961.

It will be remembered that this special program to increase the consumption of milk by schoolchildren was first authorized in the Agricultural Act of 1954. In late June of 1958, Congress authorized a 3-year extension of the special milk program, with an annual authorization of \$75 million.

Previously, when I sponsored the extension of this program, I asked for an increasing authorization to provide for expanded school enrollment and participation. We now learn from the Department of Agriculture that the authorization provided last year is already proving insufficient.

The Department of Agriculture has revealed that State estimates of needs, compared to apportionment of the \$75 million, will result in a deficit in 38 States—amounting to an indicated total deficit of \$3,378,569 if the program were to be carried on at the current level until the end of this fiscal year.

Unless we increase the authorization soon, States will have to tell their schools to cut down the milk supply to children who need it.

Therefore, the bill I am introducing today asks for the addition of \$5 million to the current authorization, to wipe out the deficit for this fiscal year, and to increase the authorization for 1960 and 1961 by \$10 million and \$15 million, respectively, in order to provide for further expansion of school enrollment in the Nation.

Our school enrollment keeps going up as our population increases. We simply must realize that these health programs for our young people must be expanded, in order to keep pace with that growth.

I ask unanimous consent that a table, provided by the U.S. Department of Agriculture, showing the apportionment of funds, estimated State needs, and indicated deficit for fiscal 1959, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies:			
Alabama	\$1,075,610	\$1,095,680	\$20,070
Alaska	17,715	18,675	960
Arizona	326,033	357,223	31,190
Arkansas	641,539	658,127	16,588
California	7,211,353	7,892,289	680,936
Colorado	513,697	591,332	77,635
Connecticut	769,829	843,470	73,641
Delaware	177,535	194,735	17,200
Delaware State Hospital	14,864	14,864	-----
District of Columbia	380,504	392,668	12,164
Florida	1,104,956	1,214,806	109,850
Georgia	1,000,504	1,001,504	1,000
Hawaii	133,161	133,161	-----
Idaho	167,846	186,102	18,256
Illinois	5,694,117	5,694,117	-----
Indiana	1,708,650	1,809,618	100,968
Iowa	1,431,776	1,431,776	-----
Kansas	803,889	830,992	27,103
Kentucky	1,206,233	2,241,457	35,224
Louisiana	470,911	470,911	-----
Maine	256,697	264,220	7,523
Maryland	1,206,054	1,291,832	85,778
Maryland Department of Budget and Procurement	25,300	25,300	-----
Massachusetts	2,853,942	2,853,942	-----
Michigan	3,599,088	3,706,663	107,575
Minnesota	1,726,723	1,726,723	-----
Mississippi	959,693	1,023,745	64,052
Missouri	2,026,829	2,054,524	27,695
Montana	129,776	129,776	-----
Nebraska	356,542	356,542	-----
Nevada	54,363	57,544	3,181
New Hampshire	197,454	200,877	3,423

Footnotes at end of table.

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and indicated deficit, fiscal year 1959—Continued

Administrative unit	Apportionment ¹	State estimated needs ²	Indicated deficit
(1)	(2)	(3)	
State agencies—Con.			
New Jersey	\$1,653,465	\$2,043,551	\$390,086
New Mexico	333,034	361,943	28,909
New York	8,902,259	9,104,966	202,707
New York Division of Standards and Purchases	139,928	139,928	-----
North Carolina	1,264,113	1,286,917	22,804
North Dakota	192,250	214,376	22,126
Ohio	3,734,585	3,954,217	219,632
Ohio Department of Public Welfare	127,485	127,485	-----
Oklahoma	832,292	847,925	15,633
Oregon	467,474	488,766	21,292
Pennsylvania	2,998,416	3,327,468	329,052
Rhode Island	306,804	337,883	31,079
South Carolina	461,089	507,370	46,281
South Carolina Dairy Commission	66,338	66,338	-----
South Dakota	320,204	320,204	-----
Tennessee	1,536,638	1,536,638	-----
Tennessee Department of Agriculture	18,665	18,665	-----
Texas	2,215,279	2,274,710	59,431
Utah	155,619	155,619	-----
Utah Department of Public Welfare	7,175	7,175	-----
Vermont	143,975	143,975	-----
Virginia	1,294,325	1,307,975	13,650
Washington	1,101,728	1,134,620	32,892
West Virginia	365,913	365,913	-----
Wisconsin	2,109,633	2,211,730	102,097
Wyoming	146,102	146,678	576
Total State agencies	69,137,971	72,198,230	3,060,259
Area offices:			
Northeast	908,753	1,058,340	149,587
Southeast	391,896	402,082	10,186
Midwest	2,880,270	3,015,916	135,646
Southwest	630,418	630,418	-----
West	359,592	382,483	22,891
Total area offices	5,170,929	5,489,239	318,310
Grand total	74,308,900	77,687,469	3,378,569

¹ Division of funds among States is based on the pattern of expenditures in fiscal year 1958.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

Mr. HUMPHREY. Mr. President, I want to point out that California will be \$680,936 short of meeting its estimated milk fund needs this fiscal year. New Jersey has an estimated deficit of \$390,086; Ohio needs \$219,632; Rhode Island needs \$329,052; New York needs \$202,707.

Fortunately, we in Minnesota appear to have an adequate apportionment to fulfill our own needs; but we are just as much concerned that young people everywhere shall have the opportunity to participate in this milk program.

This special program was initiated in September of 1954; and in the first year almost 450 million half pints of milk were consumed by the schoolchildren. In the fiscal year 1956, as the program became more firmly established, more than 1,394 million half pints of milk were consumed. It is interesting to note that, in 1959, about 29 percent more schools and other outlets participated in the program than in 1956, and 50 percent more milk was consumed.

I ask unanimous consent that a table, prepared by the U.S. Department of Agriculture, be printed, at this point in the RECORD, so that all may readily see

how this program has expanded to reach more and more children.
There being no objection, the table was ordered to be printed in the RECORD, as follows:

SPECIAL MILK PROGRAM
Participation, milk consumption, and expenditures, fiscal years 1955-59

Fiscal year	Number of outlets participating	Milk consumption (½ pints)	Expenditures	Increase in expenditures over previous year
		Million	Million	Percent
1955.....	41,094	449.8	\$17.1	
1956.....	62,266	1,394.2	45.9	168.4
1957 ¹	71,239	1,752.7	60.5	31.8
1958.....	76,478	1,918.2	66.3	9.6
1959 ²	80,000	2,100.0	74.3	12.1

¹ In addition to schools, program was extended by Congress to summer camps and other child-care institutions.
² Estimated.
³ Does not include summer camps. Summer camps in summer of 1957, 2,220; summer of 1958, 3,026.
⁴ Maximum funds available. State estimated needs for funds amount to \$77.7 million.

Mr. HUMPHREY. Mr. President, I feel that this proposal for the expansion of this valuable program merits immediate action. As a Member of the Senate Committee on Agriculture and Forestry, I shall urge that it be given priority. I trust that my colleagues will join with me in considering this one of the important moves we can make for the welfare and health of the nation's young people.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 1289) to increase and extend the special milk program for children, introduced by Mr. HUMPHREY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

PROHIBITION OF EAVESDROPPING IN CERTAIN CASES

Mr. KEATING. Mr. President, I introduce, for appropriate reference, a bill to prohibit eavesdropping under certain circumstances, and for other purposes. I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

Mr. President, the bill is designed to protect the right of privacy against unauthorized invasion and, at the same time, to facilitate the fullest use of scientific methods of crime detection by law-enforcement agencies. The bill represents the first effort in Federal legislation to deal comprehensively with the new methods of electronic monitoring of conversations and other communications.

Under the terms of the bill, unauthorized eavesdropping would be a Federal criminal offense if it occurred in any area under Federal jurisdiction, or was for the purpose of aiding or abetting the perpetration of any Federal offense, or involved the use of facilities of interstate commerce.

However, the bill contains detailed provisions under which law enforcement agencies can obtain court orders for

eavesdropping under procedures paralleling those applicable to warrants for searches and seizures.

One important provision of the bill would overturn the Supreme Court decision in the Benanti case and make it clear that evidence obtained by authorized State wiretapping would be admissible in Federal and State courts.

We cannot avoid coming to grips with this subject any longer.

While the present laws erect substantial and unreasonable impediments to effective police action against organized crime, they are almost entirely ineffective in dealing with blackmailers and other unscrupulous interlopers. This incredible situation demands legislative attention. I am hopeful that this bill will serve as a framework for consideration of needed revision of the law in this field.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 1292) to prohibit eavesdropping under certain circumstances, and for other purposes, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title 18 of the United States Code is amended by adding thereto a new chapter:

CHAPTER 28—EAVESDROPPING

- "Sec.
"570. Definitions.
"571. Eavesdropping prohibited.
"572. Possession of eavesdropping instruments.
"573. Ex parte order for eavesdropping.
"574. Admissibility of evidence.
"575. Exceptions.
"576. Duty to report violations

"§ 570. Definitions
"As used in this chapter—
"(1) 'Eavesdropping' refers to a situation in which a person—

"(a) not a sender or receiver of a telephone or telegraph communication willfully and by means of instrument overhears or records a telephone or telegraph communication, or aids, authorizes, employs, procures or permits another to do so, without the consent of either a sender or receiver thereof; or

"(b) not present during a conversation or discussion willfully and by means of instrument overhears or records such conversation or discussion, or aids, authorizes, employs, procures or permits another to do so, without the consent of the party to such conversation or discussion; or

"(c) who, not a member of a jury, records or listens to by means of instrument the deliberations of a jury or who aids, authorizes, employs, procures or permits another to do so.

"(2) 'Person' means any individual, partnership, corporation, or association including the subscriber to any telephone or telegraph service involved but excluding any law enforcement officer while acting lawfully and in his official capacity in the investigation, detection, or prosecution of crime.

"(3) 'Instrument' means any device, contrivance, machine, or apparatus or part thereof designed or used for acoustical detection including but not limited to wiretapping equipment, microphones, detecta-

phones, dictaphones, radio transmitters, and recorders.

"§ 571. Eavesdropping prohibited
"A person who engages in eavesdropping—
"(1) in the District of Columbia or any Territory or possession of the United States; or

"(2) for the purpose of aiding or abetting or perpetrating any Federal offense; or

"(3) where the conversation, discussion, or communication overheard or recorded is by wire or radio; or

"(4) for the purpose of obtaining information concerning any activity under Federal regulation; or

"(5) where the information overheard or recorded is to be transmitted in interstate commerce or outside the United States; or

"(6) where the instrument employed to overhear or record the conversation, discussion, or communication utilizes or involves facilities in interstate or foreign commerce, shall be fined not more than \$5,000 or imprisoned not more than one year and a day, or both.

"§ 572. Possession of eavesdropping instruments

"A person who has in his possession any eavesdropping instrument under circumstances evincing an intent to use or employ or allow the same to be used or employed for unlawful eavesdropping under section 571 of this chapter, or knowing the same to be so used, shall be fined not more than \$1,000 or imprisoned for not more than six months, or both.

"§ 573. Ex parte order for eavesdropping

"(1) An ex parte order for eavesdropping may be issued by any judge of any United States Court of Appeals or a United States District Court or any judge of the Municipal Court of Appeals for the District of Columbia or the Municipal Court for the District of Columbia or any Commissioner of the United States, upon oath or affirmation of an authorized agent of any Federal law enforcement agency that there is reasonable ground to believe that evidence of Federal crime may be thus obtained and particularly describing the person or persons whose communications, conversations, or discussions are to be overheard or recorded and the purpose thereof, and, in the case of a telegraphic or telephonic communication identifying the particular telephone number or telegraph line involved. In connection with the issuance of such an order the judge may examine on oath the applicant and any other witness he may produce and shall satisfy himself of the existence of reasonable grounds for the granting of such application. Any such order shall be effective for the time specified therein but not for a period of more than two months unless extended or renewed by the judge who signed and issued the original order upon satisfying himself that such extension or renewal is in the public interest. Any such order together with the papers upon which the application was based, shall be delivered to and retained by the applicant as authority for the eavesdropping authorized therein. A true copy of such order shall be retained in his possession by the judge issuing the same, and, in the event of the denial of an application for such an order, a true copy of the papers upon which the application was based shall in like manner be retained by the judge denying the same.

"(2) Orders for eavesdropping must be obtained before the eavesdropping commences, except as hereinafter in this section provided. A law enforcement officer may eavesdrop without a court order obtained, pursuant to this section only when he has reasonable grounds to believe (a) that evidence of crime may be thus obtained, and (b) that in order to obtain such evidence time does not permit an application to be made for such a court

order before such eavesdropping must commence. In any such case an application for a court order pursuant to this section must be made within twenty-four hours after such eavesdropping commenced. In computing said twenty-four-hour period legal holidays shall not be considered. The application for such a court order must contain, in addition to the requirements set forth in this section, the time when such eavesdropping commenced. If such application is granted, the order shall be made effective from the time the eavesdropping commenced. If the application is denied, the eavesdropping must cease immediately.

"(3) Except in any trial, hearing or other proceeding, a person who willfully discloses to any person, other than a carrier whose facilities are involved, or other authorized agent of any law enforcement agency, any information concerning the application for, the granting or denial of orders for eavesdropping, or the identity of the person or persons whose communications, conversations, or discussions are the subject of an ex parte order granted pursuant to this section shall be fined not more than \$1,000 or imprisoned not more than six months, or both.

"§ 574. Admissibility of evidence

"Evidence obtained by any act in violation of this chapter, and evidence obtained through or resulting from information obtained by any such act, shall be inadmissible for any purpose in any civil action, proceeding or hearing: *Provided, however,* That any such evidence shall be admissible in any disciplinary trial or hearing or any administrative action, proceeding or hearing conducted by or on behalf of any governmental agency.

"§ 575. Exceptions

"(1) Nothing contained in this chapter shall prohibit eavesdropping by any law enforcement officer or agency of any State or any political subdivision thereof, or the introduction in any court of evidence obtained by such eavesdropping, where the eavesdropping is authorized by the laws of such State and is carried out in conformity with such laws.

"(2) There may be introduced in any court of the United States evidence relating to the existence, contents, substance, purport, effect, or meaning of any communication by wire or radio which has been intercepted by any law enforcement officer or agency of any State or political subdivision thereof, where the interception of such communication was authorized by the laws of such State and was carried out in conformity with such laws.

"(3) Information obtained prior to the effective date of this chapter by any authorized agent of any Federal law enforcement agency through or as a result of the interception of any communication by wire or radio upon the express written approval of the Attorney General of the United States in the course of any investigation of any Federal offense shall, notwithstanding the provisions of section 605 of the Communications Act of 1934 (48 Stat. 1103), be deemed admissible, in evidence in any criminal proceedings.

"§ 576. Duty to report violations

"It shall be the duty of every carrier subject to the Communications Act of 1934 (48 Stat. 1103) to report to the law-enforcement agency having jurisdiction, any information coming to his attention with regard to violations of this chapter. Any willful violation of this section shall be punishable by a fine of up to \$500."

SEC. 2. The proviso contained in section 605 of the Communications Act of 1934 (48 Stat. 1103) is amended to read as follows: "*Provided,* That this section shall not apply to the interception, receiving, divulging, publishing, or utilizing the contents of (a) any radio communication broadcast or transmitted by amateurs or others for the use of the general

public or relating to ships in distress, or (b) any eavesdropping by any person in accordance with chapter 28 of title 18 of the United States Code."

SEC. 3. The Communications Act of 1934 (48 Stat. 1064), as amended, is amended by adding the following new section:

"§ 223. Authorized interceptions

"All carriers subject to the provisions of this chapter are hereby authorized to permit eavesdropping by any person in accordance with chapter 28 of title 18 of the United States Code."

SEC. 4. If any provision of this chapter or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of this chapter and the applicability of such provision to other circumstances shall not be affected thereby.

READJUSTMENT OF SIZE AND WEIGHT LIMITATIONS ON FOURTH-CLASS MAIL MATTER

Mr. MONRONEY. Mr. President, I introduce for appropriate reference a bill to adjust the size and weight limitations on fourth-class—parcel post—mail matter. I feel strongly that this is important legislation urgently needed by the Post Office Department and by tens of thousands of small businesses—manufacturers, wholesalers, retailers, and service establishments—which must use parcel post regularly.

The legislation I propose would immediately reestablish a large measure of uniformity in the limits of size and weight of parcels mailed between all post offices in the United States. My proposal, if enacted by the Congress, would eventually bring a return to complete uniformity of permissible size and weight of parcel-post packages at the level which served the Post Office Department and the people of the United States so well through the 20 years preceding 1952.

In the closing weeks of the 85th Congress, I introduced a bill having the same objective of parcel-post size and weight uniformity as I now propose. The provisions incorporated in that bill, S. 3899, had been previously approved by the Post Office and Civil Service Committee as part of a general postal rates bill, now Public Law 85-426. The parcel-post size and weight provisions, however, were deleted by the Senate from the general postal rates increase bill to permit separate consideration. To that end I introduced S. 3899. Unfortunately, strictures of time before adjournment of the 85th Congress prevented Senate consideration of my proposal.

This present proposal, while directed to the same end of achieving parcel-post size and weight uniformity, differs from S. 3899 in the maximum limitations proposed.

In talking with mail users and postal officials in their home States, Senators have undoubtedly found, as I have in the State of Oklahoma, overwhelming demand for adjustment and standardization of size and weight limits on parcel post mail.

Remedy, so long overdue and so urgently needed by the Post Office Department and mailers, is contained in my present proposal. I hope other

Members will join me in curing this sorry situation early this session.

Parcel post provides a conveniently, reliable, and economical means for small package shipment all over the country. It is a major factor in the promotion of our Nation's commerce and trade. Parcel post brings buyers and sellers of the United States into close contact with each other no matter how far they may be separated by distance.

For small business, particularly, parcel post is an almost indispensable business tool.

Prior to 1952, for 20 years there had been one uniform regulation governing the size and weight of packages permitted to be shipped by parcel post to and from every post office throughout the United States. The Post Office Department and the users of parcel post conveniently geared their operations to that single uniform parcel post regulation.

Beginning with 1952, however, through the enactment of Public Law 199 of the 82d Congress, that single, uniform regulation was replaced by three differing parcel post regulations.

Operating confusion and heavy added expense has been experienced by both the Post Office Department and parcel post users as a result of Public Law 199. The Post Office Department suffered a net revenue loss in excess of \$70 million in the first year of operation of Public Law 199, according to testimony of Department representatives, to Congress.

The Department further informed Congress "that Public Law 199 (65 Stat. 610) imposing nonuniform weight and size limitations on parcel post has created operational difficulties, losses of postal revenues, and widespread public misunderstanding and dissatisfaction."

The users of parcel post through the intervening years have paid heavily in increased expense for labor and materials and in higher postal rates as a result of Public Law 199.

I was a member of the Post Office and Civil Service Committee when Public Law 199 was enacted by the 82d Congress. May I repeat in part my statement to the Senate in the 85th Congress in presenting S. 3899. My statement last year on the background of Public Law 199 applies equally to my present proposal except that the need for relief from the penalties of Public Law 199 has since become even more acute:

I am not very proud of the patchwork pattern of ratemaking that we provided in the bill, but it was the best that we could do at the time. There were various reasons why we had to provide for three distinct rates. The committee had no way of knowing how much difficulty they would cause.

Under Public Law 199 parcels shipped between first-class post offices in the first two zones (approximately 150 miles from point of mailing) were limited to 40 pounds and 72 inches combined length and girth. Parcels shipped between first-class post offices, zone 3 through zone 8, were limited to 20 pounds and 72 combined inches. We retained the old maximum limits of 70 pounds and 100 combined inches for parcels shipped between post offices other than those of the first class. In addition, we exempted agricultural products, books, and certain other items, so you might say that we really have four rates.

This was not good ratemaking and we realized it. However, we did not want to

Senate Agriculture and Forestry Committee ordered reported:

S. 1289, with amendment, to increase and extend the special milk program for children; and

S. 753, without amendment, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups.

13. WATER RESOURCES. The Rules and Administration Committee reported with amendment S. Res. 48, to establish a committee to study the development and coordination of water resources (S. Rept. 190). p. 5260
14. FARM PROGRAM. Sen. Symington criticized the Secretary as being "either unwilling or unable to present a complete program of his own," and inserted correspondence with this Department urging that the Secretary submit an omnibus farm bill. pp. 5325-6
15. EGGS. Sen. Humphrey expressed concern over the price of eggs, urged this Department to use its "authority" to institute a program for the purchase of eggs as a means of supporting egg prices, and inserted correspondence with the Department and others concerning the situation. pp. 5348-50
16. APPROPRIATIONS. Passed without amendment H. J. Res. 336, to provide a supplemental appropriation of \$40 million to the Labor Department for unemployment compensation payments to veterans and former Federal employees. This measure will now be sent to the President. p. 5255
17. IRRIGATION; RESEARCH. Sen. Langer inserted a resolution of the Garrison Diversion Conservancy District, Bismarck, N. D., urging Congress to appropriate adequate funds to ARS for the inauguration of an expanded irrigation research program in North Dakota in cooperation with the State Agriculture Experiment Station. p. 5330.
Sen. Morse inserted a Chamber of Commerce resolution favoring the establishment of a Pacific Northwest account to provide for the payment of construction costs on irrigation projects. pp. 5317-8
18. SUGAR. Sen. Langer inserted a resolution of the Garrison Diversion Conservancy District, Bismarck, N. D., urging Congress to extend the Sugar Act. p. 5330
19. BUDGET; EXPENDITURES. Sen. Byrd, Va., inserted his statement showing the status of "current spending legislation," and comparing House and Senate action thus far to Administration requests. pp. 5331-2
Sen. Talmadge inserted a speech by Sen. Russell urging a balanced budget, praising the President for attempting to achieve this goal but criticizing certain points of emphasis in the budget including Mutual Security, and criticizing the "ultra liberals of the Democratic party." pp. 5347-8
Sen. Morse urged the adoption of a capital budget as a means of pointing "the way to a higher integrity of public administration," and inserted an article discussing the proposal. pp. 5315-6
20. NOMINATIONS. Received the nominations of Frank A. Barrett to be a member of the Board of Directors of CCC and Henry C. Wallich to be a member of the Council of Economic Advisers. p. 5371
21. FORESTRY. Received an Ore. Legislature resolution urging the appropriation of the full amounts authorized for Operation Outdoors and for forest access roads. pp. 5257-8
22. PERSONNEL. Sen. Byrd, Va., submitted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures on Federal employment. pp. 5260-3

23. SURPLUS FOODS. Sen. Murray urged greater distribution of the surplus commodities of this Department to the needy, and inserted a labor union official's statement urging greater distribution. p. 5286
24. UNEMPLOYMENT. Sen. McNamara urged greater aid for the unemployed and inserted a list of bills he has sponsored to "improve our national economy and standards." p. 5292
Sen. Kennedy inserted a statement prepared by several college professors, "Improving our Federal-State Unemployment Insurance System -- Recommendations for Congressional Action." p. 5369-70
25. CONTRACTS. Sen. Williams, Del., urged enactment of legislation to provide for the awarding of Government contracts on a competitive bid basis. p. 5309
26. FOREIGN AID. Sen. Humphrey urged greater economic aid to Latin American countries. pp. 5310-1

ITEMS IN APPENDIX

27. CIVIL DEFENSE. Extension of remarks of Sen. Wiley expressing the need for protective measures in the event of an attack, and inserting an article on this subject. p. A3073
28. FOREIGN AID. Sen. Talmadge inserted an article, "Anatomy of an Aid Program -- A Look at Thailand Shows the U. S. Problems All Over the World," which describes some of the plans for Sinese farmers. pp. A3082-3
29. LANDS. Extension of remarks of Rep. Aspinall urging enactment of his bill H. R. 6290, to establish an integrated up-to-date set of legal rules to govern the administration of public land townsites. p. A3085
30. FARM PROGRAM. Sen. Langer inserted two GTA radio roundup broadcasts discussing problems of the family-size farm and farm prices. p. A3086
Rep. George inserted Sen. Symington's recent speech in which he criticized the Administration's farm policies. pp. A3093-3100
Extension of remarks of Rep. McGovern commenting on the results of a Farm Journal poll and inserting two articles taking issue with the reliability of the poll. pp. A3112-3
31. FOOD STORAGE. Sen. Langer inserted a resolution favoring a guaranteed storage program on farm stored grain. p. A3095
32. POTATOES. Rep. McIntire inserted an article describing the health-contributing characteristics of the Irish potato. pp. A3103-4
33. FAIR TRADE. Extension of remarks of Rep. Dingell opposing the proposed fair trade legislation and inserting an article on this subject. pp. A3119-20

BILLS INTRODUCED

34. PERSONNEL. S. 1683, by Rep. McCarthy, to amend the Hatch Act to permit all officers and employees of the Government to exercise the full responsibility of citizenship and to take an active part in the political life of the United States; to Rules and Administration Committee.
H. R. 6421, by Rep. Foley, to establish a system for the classification and compensation of scientific and professional positions in the Federal Government; to Post Office and Civil Service Committee

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate committee reported bills to: Expand industrial-use research. Expand special milk program. House committee ordered reported bill to revise price support level for tobacco. Sen. Humphrey and others introduced and Sen. Humphrey discussed bill to expand Public Law 480 and establish Peace Food Administration.

SENATE

1. RESEARCH. The Agriculture and Forestry Committee reported without amendment S. 690, which would establish an Agricultural Research and Industrial Administration in this Department to conduct research on the development of new and improved uses for farm products (S. Rept. 193). p. 5441
2. MILK. The Agriculture and Forestry Committee reported with amendment S. 1289, to increase and extend the special milk program for children (S. Rept. 194), ~~and without amendment S. 753, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups (S. Rept. 192).~~
~~p. 5441~~
3. TRADE FAIRS. Passed without amendment H. R. 5508, to provide permanently for the free importation of articles for exhibition at fairs, exhibitions, or expositions. This bill will now be sent to the President. p. 5489

4. WATER RIGHTS. Received a Kan. Legislature resolution urging the enactment of legislation to safeguard and preserve established State and individual rights to the use of water within the States. p. 5440
5. WHEAT. This office has received copies of an Agriculture and Forestry Committee print of a wheat stabilization bill. The draft includes provisions for percentage reductions in farm acreage allotments, penalties based on actual yield, increase in the penalty rate, reductions in exemptions, a limitation of \$25,000 in price supports for any person in any year, no price support for non-cooperators, and applicability of the proposed legislation to only the 1960 and 1961 crops.

HOUSE

6. MILITARY CONSTRUCTION. Passed, 377 to 7, with amendments H. R. 5674, to authorize certain construction at military installations, including an authorization for use of Public Law 480 and CCC funds. pp. 4592-5515
Concerning the use of Public Law 480 funds for defense purposes in foreign countries, Rep. Gross stated that "this is another subsidy which should not be charged in full to the farmers of America." p. 5496
7. WHEAT ALLOTMENTS. The Agriculture Committee recommitted to the Wheat Subcommittee H. R. 3436, to increase the durum-wheat acreage allotments in North Dakota, Minnesota, Montana, South Dakota, and California, and H. R. 5443, providing for the appointment by the Secretary, of a committee to study and recommend increases in durum-wheat allotments. p. D255
8. TOBACCO. The Agriculture Committee ordered reported with amendment H. R. 5058, to modify the price-support level for tobacco. p. D255
9. FARM CREDIT. The Agriculture Committee ordered reported without amendment H. R. 6353, to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from FCA to the Federal land banks. p. D255
10. INFLATION; EMPLOYMENT. Rep. Reuss discussed his bill, H. R. 6263, "to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability," which requires the President to hold public hearings on prospective or actual price and wage increases and to issue summaries of such hearings. He stated that the Administration, the AFL-CIO, the U. S. Chamber of Commerce, and the Federal Reserve Board oppose it. pp. 5520-4
11. ADJOURNED until Mon., Apr. 20. p. 5530

ITEMS IN APPENDIX

12. FARM PROGRAM. Sen. Thurmond inserted an article discussing some of the agricultural problems, stating that the farm program is for everybody "except the little farmer" and offering suggestions for improvements. pp. A3127-8
Rep. Loser inserted a reprint of an article listing results of a poll, including questions on the farm program. p. A3141
Extension of remarks of Rep. Brewster expressing concern about the "spiraling cost of administering a program which has failed to accomplish its primary stated purpose -- to help the low-income farmer ..." p. A3148
Rep. Levering inserted excerpts from a book written by J. C. Penny expressing the importance of a successful farm program and the value of preserving our soil. pp. A3170-1

INCREASED AUTHORIZATION FOR SCHOOL MILK
PROGRAM

APRIL 16 (legislative day, APRIL 15), 1959.—Ordered to be printed

Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, submitted the following

R E P O R T

[To accompany S. 1289]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 1289) to increase and extend the special milk program for children, having considered the same, report thereon with a recommendation that it do pass with an amendment.

PURPOSE

This bill, with the committee amendment, would increase by \$5 million the maximum amount of money which may be used by the Secretary of Agriculture during the fiscal years ending in 1960 and 1961 for the special school milk program originally authorized by section 201(c) of the Agricultural Act of 1949 and now provided for by Public Law 85-478. As originally enacted Public Law 85-478 authorized \$75 million for each of the 3 fiscal years 1959, 1960, and 1961. School enrollment has been increasing and a survey recently completed by the Department showed that about \$3 million additional was required to continue the program at its present level for the remainder of the current fiscal year. Accordingly Congress, as an emergency action, provided for this additional \$3 million for the current year in Public Law 86-10. School enrollment is continuing to increase and some provision should now be made for the increased requirements of fiscal years 1960 and 1961. As introduced, the bill would have provided a \$10 million increase for fiscal 1960 and a \$15 million increase for fiscal 1961. The needs for these years cannot be accurately estimated at this time and the committee therefore recommends that the increases for those years be held to the conservative figure of \$5 million. The committee recommends and requests that the Secretary of Agri-

culture furnish it with a report at least 3 months before the end of each fiscal year, setting out the amount of funds required for the balance of that fiscal year and the amount required for the succeeding fiscal year.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support provisions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled \$17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from \$17.1 million to almost \$46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type-A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses, and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totaled about \$650,000. Although camp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a much more adequate milk service for children.

The following table shows the growth of the program from its inception through fiscal year 1958. It is estimated that there are approximately 80,000 schools and other outlets participating in the program in the current (1959) fiscal year.

Special milk program participation and expenditures, 1955-58

	Schools, camps, etc., participating	Milk con- sumed (mil- lions of half pints)	Expenditures (millions of dollars)
1955.....	41,094	449.8	17.1
1956.....	62,266	1,394.2	45.9
1957.....	71,239	1,752.7	60.5
1958.....	76,478	1,918.2	66.3

The following table shows the scope of the program by States in the past 2 years. The figures show the number of schools and other outlets participating in November 1957 and November 1958 and also the distribution of milk in each State on those two dates.

SPECIAL MILK PROGRAM

Number of outlets participating and number of half pints reimbursed, November 1957 compared with November 1958, preliminary

	Number of outlets participating			Number of half pints reimbursed		
	November 1957	November 1958	Percent increase	November 1957	November 1958	Percent increase
				<i>Thousands</i>	<i>Thousands</i>	
Alabama.....	1,395	1,472	5.5	3,265	3,058	7.4
Alaska.....	24	25	4.2	52	54	3.8
Arizona.....	412	447	8.5	1,109	1,355	22.2
Arkansas.....	1,024	1,036	1.2	1,435	1,648	14.8
California.....	5,001	5,312	6.2	19,878	23,854	20.0
Colorado.....	885	933	5.4	1,818	1,841	1.3
Connecticut.....	648	772	19.1	2,059	2,469	19.9
Delaware.....	134	141	5.2	543	559	2.9
District of Columbia.....	184	194	5.4	1,479	1,543	4.3
Florida.....	1,193	1,313	10.1	3,509	4,071	16.0
Georgia.....	1,519	1,621	6.7	2,490	2,728	9.6
Guam.....						
Hawaii.....	176	186	5.7	504	470	-6.7
Idaho.....	373	420	12.6	497	576	15.9
Illinois.....	4,030	4,586	13.8	14,694	16,065	9.3
Indiana.....	1,598	1,813	13.5	4,648	6,044	30.0
Iowa.....	2,088	2,166	3.7	3,879	4,426	14.1
Kansas.....	1,109	1,156	4.2	2,042	2,386	16.8
Kentucky.....	1,378	1,500	8.9	2,866	3,381	18.0
Louisiana.....	931	980	5.3	1,107	1,131	2.2
Maine.....	793	824	3.9	908	959	5.6
Maryland.....	975	1,095	12.3	3,572	4,438	24.2
Massachusetts.....	2,357	2,419	2.6	7,837	8,420	7.4
Michigan.....	4,210	4,399	4.5	12,225	13,314	8.9
Minnesota.....	2,500	2,570	2.8	5,033	5,933	17.9
Mississippi.....	1,013	1,031	1.8	2,435	2,783	14.3
Missouri.....	2,926	2,937	.4	4,692	5,358	14.2
Montana.....	326	349	7.1	420	423	.7
Nebraska.....	677	702	3.7	1,307	1,435	9.8
Nevada.....	99	129	30.3	227	281	23.8
New Hampshire.....	349	356	2.0	491	546	11.2
New Jersey.....	1,359	1,530	12.6	4,467	5,245	17.4
New Mexico.....	504	565	12.1	1,965	2,331	18.6
New York.....	4,517	4,658	3.1	19,988	21,435	7.2
North Carolina.....	2,003	2,049	2.3	3,337	3,955	18.5
North Dakota.....	357	386	8.1	611	871	42.6
Ohio.....	3,341	3,580	7.2	12,823	13,970	8.9
Oklahoma.....	1,094	1,185	8.3	2,332	2,751	18.0
Oregon.....	775	821	5.9	1,262	1,380	9.4
Pennsylvania.....	4,333	4,454	2.8	9,728	10,672	9.7
Puerto Rico.....						
Rhode Island.....	299	303	1.3	820	843	2.8
South Carolina.....	1,012	1,083	7.0	1,355	1,726	27.4
South Dakota.....	446	491	10.1	942	1,141	21.1
Tennessee.....	2,140	2,238	4.6	4,211	5,008	18.9
Texas.....	3,226	2,891	-10.4	5,784	6,709	16.0
Utah.....	323	338	4.6	448	515	15.0
Vermont.....	377	323	-14.3	381	415	8.9
Virginia.....	1,399	1,438	2.8	3,510	4,167	18.7
Virgin Islands.....						
Washington.....	1,162	1,274	9.6	2,708	3,071	13.4
West Virginia.....	981	1,004	2.3	1,088	1,083	-.5
Wisconsin.....	4,333	4,481	3.4	7,335	7,991	8.9
Wyoming.....	175	202	15.4	376	404	7.4
Total.....	74,483	78,178	5.0	192,492	217,682	13.1

Source: U.S. Department of Agriculture, March 1959.

THE 1959 PROGRAM

Reports from the States on the special milk program for the current year indicate that participation is running at a substantially higher level than in 1958. In February, the Department of Agriculture made a survey of the States to determine their probable needs for this year and the results are indicated in the table below. As indicated by the table, the estimates returned by the States show a need for the

current fiscal year of \$3,378,569 above the \$75 million maximum authorized in the law.

SPECIAL MILK PROGRAM

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
State agencies:					
Alabama.....	\$1, 014, 601	\$61, 009	\$1, 075, 610	\$1, 095, 680	\$20, 070
Alaska.....	16, 700	1, 015	17, 715	18, 675	960
Arizona.....	306, 580	19, 453	326, 033	357, 223	31, 190
Arkansas.....	604, 970	36, 569	641, 539	658, 127	16, 588
California.....	6, 781, 409	429, 944	7, 211, 353	7, 892, 289	680, 936
Colorado.....	481, 950	31, 747	513, 697	591, 332	77, 635
Connecticut.....	723, 875	45, 954	769, 829	843, 470	73, 641
Delaware.....	166, 950	10, 585	177, 535	194, 735	17, 200
Delaware State Hospital.....	14, 864		14, 864	14, 864	
District of Columbia.....	358, 726	21, 778	380, 504	392, 668	12, 164
Florida.....	1, 038, 860	66, 096	1, 104, 956	1, 214, 806	109, 850
Georgia.....	944, 416	56, 088	1, 000, 504	1, 001, 504	1, 000
Hawaii.....	128, 607	4, 554	133, 161	133, 161	
Idaho.....	157, 748	10, 098	167, 846	186, 102	18, 256
Illinois.....	5, 388, 255	305, 862	5, 694, 117	5, 694, 117	
Indiana.....	1, 609, 088	99, 562	1, 708, 650	1, 809, 618	100, 968
Iowa.....	1, 352, 822	78, 954	1, 431, 776	1, 431, 776	
Kansas.....	757, 819	46, 070	803, 889	830, 992	27, 103
Kentucky.....	1, 137, 327	68, 906	1, 206, 233	1, 241, 457	35, 224
Louisiana.....	470, 911		470, 911	470, 911	
Maine.....	242, 025	14, 672	256, 697	264, 220	7, 523
Maryland.....	1, 135, 230	70, 824	1, 206, 054	2, 191, 832	85, 778
Maryland Department of Budget and Procedure.....	22, 163	3, 137	25, 300	25, 300	
Massachusetts.....	2, 698, 262	155, 680	2, 853, 942	2, 853, 942	
Michigan.....	3, 393, 352	205, 736	3, 599, 088	3, 706, 663	107, 575
Minnesota.....	1, 673, 139	53, 584	1, 726, 723	1, 726, 723	
Mississippi.....	903, 503	56, 190	959, 693	1, 023, 745	64, 052
Missouri.....	1, 912, 233	114, 596	2, 026, 829	2, 054, 524	27, 695
Montana.....	124, 691	5, 085	129, 776	129, 776	
Nebraska.....	336, 569	19, 973	356, 542	356, 542	
Nevada.....	51, 182	3, 181	54, 363	57, 544	3, 181
New Hampshire.....	186, 245	11, 209	197, 454	200, 877	3, 423
New Jersey.....	1, 545, 980	107, 485	1, 653, 465	2, 043, 551	390, 086
New Mexico.....	313, 266	19, 768	333, 034	361, 943	28, 909
New York.....	8, 395, 800	506, 459	8, 902, 259	9, 104, 966	202, 707
New York Division of Standards and Purchases.....	138, 500	1, 428	139, 928	139, 928	
North Carolina.....	1, 192, 412	71, 701	1, 264, 113	1, 286, 917	22, 804
North Dakota.....	180, 652	11, 598	192, 250	214, 376	22, 126
Ohio.....	3, 516, 999	217, 586	3, 734, 585	3, 954, 217	219, 632
Ohio Department of Public Welfare.....	127, 485		127, 485	127, 485	
Oklahoma.....	785, 057	47, 235	832, 292	847, 925	15, 633
Oregon.....	440, 484	26, 990	467, 474	488, 766	21, 292
Pennsylvania.....	2, 817, 892	180, 524	2, 998, 416	3, 327, 468	329, 052
Rhode Island.....	288, 414	18, 390	306, 804	337, 883	31, 079
South Carolina.....	433, 497	27, 592	461, 089	507, 370	46, 281
South Carolina Dairy Commission.....	66, 338		66, 338	66, 338	
South Dakota.....	314, 114	6, 090	320, 204	320, 204	
Tennessee.....	1, 475, 871	60, 767	1, 536, 638	1, 536, 638	
Tennessee Department of Agriculture.....	18, 665		18, 665	18, 665	
Texas.....	2, 088, 902	126, 377	2, 215, 279	2, 274, 710	59, 431
Utah.....	155, 619		155, 619	155, 619	
Utah Department of Public Welfare.....	7, 175		7, 175	7, 175	
Vermont.....	143, 640	335	143, 975	143, 975	
Virginia.....	1, 221, 283	73, 042	1, 294, 325	1, 307, 975	13, 650
Washington.....	1, 038, 736	62, 992	1, 101, 728	1, 134, 620	32, 892
West Virginia.....	362, 280	3, 633	365, 913	365, 913	
Wisconsin.....	1, 987, 557	122, 076	2, 109, 633	2, 211, 730	102, 097
Wyoming.....	137, 898	8, 204	146, 102	146, 678	576
Total.....	65, 329, 588	3, 808, 383	69, 137, 971	72, 198, 230	3, 060, 259

See footnotes at end of table, p. 6.

Apportionment of funds, State estimated needs, and possible adjustment required, fiscal year 1959—Continued

Administrative unit	Current division of funds ¹	Apportionment of \$4,000,000 reserve ¹	Total apportionment of funds, fiscal year 1959	State estimated needs for fiscal year 1959 ²	Possible adjustment required
Area offices: ³					
Northeast.....	\$852,165	\$56,588	\$908,753	\$1,053,340	\$149,587
Southeast.....	369,547	22,349	391,896	402,082	10,186
Midwest.....	2,713,737	166,533	2,880,270	3,015,916	135,646
Southwest.....	630,418		630,418	630,418	
West.....	337,365	22,227	359,592	382,483	22,891
Total.....	4,903,232	267,697	5,170,929	5,489,239	318,310
Grand total.....	70,232,820	4,076,080	74,308,900	77,687,469	3,378,569

¹ Division of funds reflects adjustments made, following the February survey, to release funds from those State agencies which indicated that needs were less than previously scheduled payments.

² Estimates received in late February 1959, based on actual expenditures through December 1958.

³ For program needs in schools and child-care institutions where program is not administered by a State agency.

⁴ Exclusive of funds reserved for Federal operating expenses.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law, in which no change is proposed is shown in roman):

PUBLIC LAW 85-478

85th Congress, S. 3342

July 1, 1958

AN ACT To continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed ~~\$75,000,000~~, *\$80,000,000*, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

Amounts expended hereunder and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.

5.12.00

1.1.00

Calendar No. 184

86TH CONGRESS
1ST SESSION

S. 1289

[Report No. 194]

IN THE SENATE OF THE UNITED STATES

MARCH 5, 1959

Mr. HUMPHREY (for himself, Mr. AIKEN, Mr. MCCARTHY, Mr. PROXMIRE, and Mr. WILEY) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

APRIL 16 (legislative day, APRIL 15), 1959

Reported by Mr. JOHNSTON of South Carolina, with an amendment

[Omit the part struck through and insert the part printed in italic]

A BILL

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276), is amended to read as follows: "That for the fiscal year
5 ending June 30, 1959, not to exceed \$80,000,000, and for
6 the fiscal year ending June 30, 1960, not to exceed
7 \$85,000,000, and for the fiscal year ending June 30, 1961,
8 ~~not to exceed \$90,000,000~~ *beginning July 1, 1958, not to*
9 *exceed \$78,000,000, and for each of the two fiscal years*
10 *thereafter, not to exceed \$80,000,000, of the funds of the*
11 Commodity Credit Corporation shall be used to increase the

1 consumption of fluid milk by children (1) in nonprofit
 2 schools of high school grade and under; and (2) in non-
 3 profit nursery schools, child care centers, settlement houses,
 4 summer camps, and similar nonprofit institutions devoted to
 5 the care and training of children.”

Calendar No. 184

86TH CONGRESS
1ST SESSION

S. 1289

[Report No. 194]

A BILL

To increase and extend the special milk program for children.

By Mr. HUMPHREY, Mr. AIKEN, Mr. MCCARTHY,
Mr. PROXMIRE, and Mr. WILEY

MARCH 5, 1959

Read twice and referred to the Committee on
Agriculture and Forestry

APRIL 16 (legislative day, APRIL 15), 1959

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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For actions of April 29, 1959
86th-1st, No. 67

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HIGHLIGHTS: House subcommittee ordered reported wheat bill. Senate debated second supplemental appropriation bill. House agreed to consider veto of REA loan approval bill on Thursday. Rep. Johnson, Wisc., urged enactment of dairy income stabilization program.

HOUSE

- ELECTRIFICATION.** Received from the President the veto message on S. 144, to give the REA Administrator additional authority over the approval of loans, and agreed to consider it today, Apr. 30. pp. 6321-2
Rep. Lane criticized certain aspects of reciprocal trade, stated that American industry is being "undermined" because "an agency of the Federal Government does not have the authority under existing law to insist that the recipients of its loans shall 'Buy American,'" referred to an REA loan to a Texas cooperative, part of which money was used to buy a Swiss generator, and urged that tariffs be raised "for the protection of our imperilled industries." pp. 6397-8.
- DAIRY INDUSTRY.** Rep. Johnson, Wisc., criticized the Secretary for spending "\$5 for every \$1 spent by his predecessors" while "net farm income has fallen from \$15.3 billion in 1952 to \$13.2 billion in 1958," stated that the dairy farmer was "one of the lowest men on the farm income totem pole," and discussed his dairy marketing bill to "establish the support level of 90% of parity for butterfat and manufacturing milk," to establish "a system of marketing quotas," and to give the milk producers an opportunity to vote on acceptance of the plan. p. 6379

3. PUBLIC LAND. Received from Interior a proposed bill "to authorize the classification, segregation, and disposal of public lands chiefly valuable for urban and business purposes"; to the Interior and Insular Affairs Committee. p. 6399
4. CLAIMS. The Judiciary Committee reported with amendment H. R. 6000, to increase the limit for administrative settlement of claims against the U. S. under the tort claims procedure to \$3,000 (H. Rept. 323). p. 6399
5. WHEAT. The Daily Digest said "the Wheat Subcommittee of the Agriculture Committee met in executive session and ordered favorably reported to the full committee H. R. 6737 (amended), to amend the Agricultural Act of 1949, as amended, the Agricultural Adjustment Act of 1938, as amended, and Public Law 74 (75th Cong.), as amended." p. D299
6. NATIONAL FLOWER. Rep. Price inserted a poem on the corn tassel and Rep. Rogers urged adoption of the carnation as the national flower. pp. 6383, 6394
7. RECLAMATION. This office has obtained, for reference and lending purposes, a few copies of a "committee print" of the House Committee on Interior and Insular Affairs, "Reclamation -- Accomplishments and Contributions." The publication was prepared by the Legislative Reference Service, at the request of several committee members, for the specific purpose of setting forth the favorable aspects of the reclamation program. The introduction states: "It presents a factual account of the achievements and contributions of the Federal reclamation program, including its history and background; physical accomplishments; contributions to the local, western, and national economies; feasibility, including costs and repayment; cooperation and coordination with local, State, and other Federal agencies; and a comparison of the reclamation program with other Federal public works programs."

SENATE

8. SECOND SUPPLEMENTAL APPROPRIATION BILL. Continued debate on this bill, H. R. 5916. No action was taken on items affecting this Department. pp. 6276-81, 6282-6, 6292-3, 6305-11
9. AIR POLLUTION. Passed with amendments S. 441, to continue for four years, until July 1, 1964, the Federal air-pollution control law. pp. 6264-7
10. WATER COMPACT. Passed without amendment S. 548, to grant the consent of Congress to a Great Lakes Basin Compact for the development and use of the water of the basin. pp. 6273-5
11. PERSONNEL. At the request of Sen. Engle, passed over S. 91 and H. R. 460, to limit to cases involving the national security the prohibition on payment of retirement annuities to Federal employees. pp. 6262, 6268
12. MILK. At the request of Sen. Engle, passed over S. 1289, to increase and extend the special milk program for children. p. 6269
At the request of Sen. Engle, passed over S. 753, to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups. pp. 6269, 6276
13. RESEARCH; SURPLUS COMMODITIES. At the request of Sen. Keating, passed over S. 690, to provide for research on increased use of agricultural products for industrial purposes. p. 6269

tary of State to assure joint policy and planning and equitable budgeting of exchange of persons programs and administrative cooperation between staffs engaged in carrying out such programs, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (H. Con. Res. 34) favoring the meeting of the North Atlantic Treaty Parliamentary Conference for 1959 in Washington, D.C., was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The resolution will be passed over.

EXTENSION OF TIME FOR FILING REPORT ON S. RES. 318, 85TH CONGRESS

The resolution (S. Res. 100) to extend the time for report on Senate Resolution 318 of the 85th Congress, relative to preservation and display of Senate documents and records was considered and agreed to, as follows:

Resolved, That S. Res. 318, Eighty-fifth Congress (as amended by S. Res. 72, Eighty-sixth Congress), establishing a special committee of the Senate to study and report with respect to preserving memorabilia of the Senate, is further amended by striking out "April 2" in section 4 and inserting in lieu thereof "June 30".

MARY CUNNINGHAM

The resolution (S. Res. 104) to pay a gratuity to Mary Cunningham was considered and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Mary Cunningham, sister of Henry Patrick Kiley, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

PRINTING OF ADDITIONAL COPIES OF CERTAIN HEARINGS ON TRANSPORTATION PROBLEMS

The concurrent resolution (S. Con. Res. 22) to print additional copies of certain hearings on transportation problems in Maryland, Virginia, and the Washington metropolitan area was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Joint Committee on Washington Metropolitan Problems, one thousand additional copies of the hearings held during the Eighty-fifth Congress entitled, "Transportation Problems in Maryland, Virginia, and the Washington Metropolitan Area."

PRINTING OF COPIES OF "CANNON'S PROCEDURE IN THE HOUSE OF REPRESENTATIVES"

The joint resolution (H.J. Res. 301) providing for printing of copies of "Can-

non's Procedure in the House of Representatives" was considered, ordered to a third reading, read the third time, and passed.

BARGAINING WITH PURCHASERS BY COOPERATIVE ASSOCIATIONS OF MILK PRODUCERS—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 753) to authorize cooperative associations of milk producers to bargain with purchasers singly or in groups, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KEATING. Mr. President, may we have an explanation of the bill from the authors of it?

The PRESIDING OFFICER. An explanation of the bill is requested.

Mr. JOHNSON of Texas. Mr. President, since the authors of the bill, the Senator from Vermont [Mr. Aiken] and the Senator from Minnesota [Mr. Humphrey], are not immediately available, I ask unanimous consent that the bill go to the foot of the calendar, and I request the Senate aids to notify those two Senators.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN—BILL PASSED OVER

The bill (S. 690) to provide for the increased use of agricultural products for industrial purposes was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

MILK PROGRAM FOR CHILDREN—BILL PASSED OVER

The bill (S. 1289) to increase and extend the special milk program for children was announced as next in order.

Mr. ENGLE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSTON of South Carolina subsequently said:

Mr. President, I should like to ask what disposition was made of Calendar No. 184, S. 1289, to increase and extend the special milk program for children?

The PRESIDING OFFICER. The bill was passed over.

Mr. JOHNSTON of South Carolina. Mr. President, I urge that the bill be scheduled for early consideration. It is especially necessary that we pass a bill such as this. This year it was necessary for us to pass an emergency bill to provide \$3 million to take care of the milk program. From all indications in the hearings, we will need \$2 million more, because of the increased population next year in the schools throughout the United States.

We have already gone into the program for 2 more years. The bill will be an enabling act. I should like to state

to the Senate that year after year the Department of Agriculture has turned back money it did not use in this particular field.

I merely wanted to bring the situation to the attention of Senators.

Mr. ENGLE. The views of the Senator will be communicated to the majority leader and to the Policy Committee. I am sure the bill will be scheduled for consideration at an early date, as the Senator has requested.

Mr. JOHNSTON of South Carolina. I understand that the bill should not be passed by unanimous consent on the call of the calendar, but I wanted to make a brief explanation of the bill in order to get action on it as soon as possible.

Mr. PROUTY. Mr. President, I should like to explain to the distinguished Senator from South Carolina that we did not object to the bill on this side of the aisle.

BILLS PASSED OVER

The bill (S. 1120) to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1062) to amend the Federal Deposit Insurance Act to provide safeguards against mergers and consolidations of banks which might lessen competition unduly or tend unduly to create a monopoly in the field of banking, was announced as next in order.

Mr. KEATING. Over.

The PRESIDING OFFICER. The bill will be passed over.

OLIVER O. NEWSOME

The bill (H.R. 1691) for the relief of Oliver O. Newsome was considered, ordered to a third reading, read the third time, and passed.

OTIS PARKS AND OTHERS

The bill (H.R. 2063) for the relief of Otis Parks, W. B. Dunbar, and J. C. Dickey was considered, ordered to a third reading, read the third time, and passed.

MILO G. AND PATRICIA WINGARD

The bill (H.R. 2281) to provide for the payment of relocation expenses to Milo G. and Patricia Wingard was considered, ordered to a third reading, read the third time, and passed.

STERILON CORP.

The bill (H.R. 2295) for the relief of Sterilon Corp., was considered, ordered to a third reading, read the third time, and passed.

AMERICAN HYDROTHERM CORP.

The bill (H.R. 2603) for the relief of the American Hydrotherm Corp. was

considered, ordered to a third reading, read the third time, and passed.

LOIS K. ALEXANDER

The bill (H.R. 2949) for the relief of Lois K. Alexander was considered, ordered to a third reading, read the third time, and passed.

HILARY W. JENKINS, JR.

The bill (H.R. 3095) for the relief of Hilary W. Jenkins, Jr., was considered, ordered to a third reading, read the third time, and passed.

VIRGINIA E. SPEER

The bill (H.R. 3939) for the relief of Virginia E. Speer was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF NUCLEAR WEAPON TESTS—RESOLUTION PASSED OVER

The resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapon tests was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. ENGLE. Mr. President, I favor the resolution, and I hope it will be agreed to; but, by request, I ask that it go over for discussion at a later time.

The PRESIDING OFFICER. The resolution will be passed over.

T. V. CASHEN

The bill (H.R. 1411) for the relief of T. V. Cashen was considered, ordered to a third reading, read the third time, and passed.

POSTHUMOUS AWARD FOR SCIENTIFIC CONTRIBUTIONS MADE BY THE LATE PAUL M. TEDDER

The bill (H.R. 2099) to provide for a posthumous cash award in recognition of the scientific contributions in the field of electronic ordnance made by the late Paul M. Tedder was considered, ordered to a third reading, read the third time, and passed.

VALIDATION OF PAYMENTS OF QUARTERS ALLOWANCES

The bill (H.R. 2975) to validate payments of certain quarters allowances made in good faith, and pursuant to agreements by authorized officials, to employees of the Department of the Navy but which were subsequently determined to be inconsistent with applicable regulations was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN MEMBERS OF THE ARMED FORCES HELD AS PRISONERS IN KOREAN HOSTILITIES

The bill (H.R. 4121) for the relief of certain members of the Armed Forces of the United States, or their survivors who were captured and held as prisoners of war in Korean hostilities was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF CERTAIN MEMBERS AND FORMER MEMBERS OF THE NAVAL SERVICE

The bill (H.R. 4615) to relieve certain members and former members of the naval service of liability to reimburse the United States for the value of transportation requests erroneously furnished to them by the United States, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958

The bill (H.R. 4913) to amend the National Aeronautics and Space Act of 1958, to authorize the National Aeronautics and Space Administration to lease buildings in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

The Senate proceeded to consider the bill (S. 493) to extend the life of the Alaska International Rail and Highway Commission, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause and insert:

That the Act entitled "An Act to establish an Alaska International Rail and Highway Commission", approved August 1, 1956 (70 Stat. 888), as amended, is amended—

(1) by striking out subsection (a) of the first section and inserting in lieu thereof the following:

"(a) (1) six of the members of the Commission shall be Members of the Congress of the United States, at least one of whom shall be a member from the State of Alaska, and not more than four of whom shall be members of the same political party; and

"(2) four of the members shall be selected from the executive branch of the Government, of whom, if practicable, one shall be from the Department of the Army, to be designated by the Secretary of the Army, one from the Department of the Interior, one from the Department of State, and one from the Department of Commerce; and

"(3) three of the members shall be selected from the general public, one of whom shall be a resident of Alaska and one of whom shall be a resident of the Pacific Northwest region of the United States."; and

(2) by striking out section 7 and inserting in lieu thereof the following:

"Sec. 7. The Commission shall report the results of its studies and submit its recommendations to the Congress from time to time, and shall make a final report and submit its final recommendations to the Congress at the earliest practicable time, but in no event later than June 1, 1961. The final report shall include estimates of the cost of construction of rail and highway facilities along the routes determined most feasible and beneficial by the Commission, together with estimates of the economic benefits to the United States, Canada, and Alaska. The Commission shall cease to exist for all intents and purposes, and all authority conferred by this Act shall and does terminate thirty days after the date of the submission of the final report or on June 30, 1961, whichever date occurs first."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission."

INCORPORATION OF BLUE STAR MOTHERS OF AMERICA, INC.

The Senate proceeded to consider the bill (S. 1315) for the incorporation of the Blue Star Mothers of America, Inc., which had been reported from the Committee on the Judiciary, with amendments, on page 5, at the beginning of line 18, to strike out "Nation, during the emergency of World War II" and insert "United States in World War II or the Korean hostilities"; on page 8, after line 19, to strike out:

AUDIT OR FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by a certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. The certified public accountant, or his representatives, shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(b) The corporation shall file annually with the Comptroller General, in accordance with such regulations and upon such form as he shall prescribe, a complete statement of such annual audit, verified by the certified public accountant by whom the audit is made, for the fiscal year ending on June 30.

And, in lieu thereof, to insert:

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent public accountant of recognized standing in accordance with generally accepted auditing standards. The

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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86th-1st, No. 68

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HIGHLIGHTS: House sustained President's veto of REA loan approval bill. Senate passed: Second supplemental appropriation bill. Bill to increase and extend special milk program. Bill to permit cooperative milk producer associations to bargain singly or in groups. Senate committee reported resolution to defer proclamation of quotas and allotments for 1960 wheat crop. House passed Labor-HEW appropriation bill.

SENATE

1. SECOND SUPPLEMENTAL APPROPRIATION BILL. Passed with amendments this bill, H. R. 5916. No changes were made in items relating to this Department. (See Digest 59 for items of interest to this Department.) Senate conferees were appointed. pp. 6422-47
2. WHEAT. The Agriculture and Forestry Committee reported without amendment S. J. Res. 94, to defer the proclamation of marketing quotas and acreage allotments for the 1960 wheat crop until June 1, 1959 (S. Rept. 236). The resolution was introduced and ordered reported by the committee earlier in the day. pp. 6404, 6408, D302
3. MILK. Passed as reported S. 1289, to increase from \$75 million to \$80 million the maximum amount of money which may be used by the Secretary during each of the fiscal years 1960 and 1961 for the special milk program. p. 6481
Passed without amendment S. 753, to provide exemptions from the antitrust laws to permit farmer cooperatives and their marketing agencies to bargain in groups for the sale of milk and milk products, and to permit purchasers from such cooperatives or agencies, at their request, to bargain in groups with them for the purchase of milk and milk products. pp. 6840-1
(6481)

4. ELECTRIFICATION. Sen. Scott commended the action of the House in sustaining the President's veto of S. 144, to give the REA Administrator additional authority over the approval of loans. p. 6455
5. COTTON; GRAINS. Sen. Williams, Del., inserted a letter and exhibits from this Department showing "the manner in which storage rates have substantially increased during the past few years," and stated that "the major part of the increased costs and rates is attributable to the shortage in available storage space resulting from the accumulation of our \$10 billion inventory ... also a part of the increase can be attributed to the policy of allowing 5 years amortization of new grain warehouse facilities." pp. 6448-51
6. FARM PROGRAM. Sen. Murray inserted a New Orleans Cotton Exchange advertisement "supporting a farm program based on direct production payments." p. 6420
7. RECLAMATION. Passed without amendment S. 994, to authorize Interior to construct and maintain the Spokane Valley reclamation project, Wash. and Idaho. p. 6447
8. FOREIGN AID. Sen. Symington inserted a speech by Rep. Bowles, "New Directions For Foreign Economic Aid." pp. 6447-8
Sen. Langer inserted a newspaper article and his recent speech critical of expenditures for the foreign aid program. pp. 6454-5
9. PERSONNEL; EXPENDITURES. Sen. Byrd inserted the report of the Joint Committee on Reduction of Nonessential Federal Expenditures relating to Federal employment and pay for Mar. 1959. pp. 6404-7
10. NOMINATION. The Banking and Currency Committee reported the nomination of Henry C. Wallich to be a member of the Council of Economic Advisers. p. 6407
11. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the Senate would adjourn over from Fri., May 2, to Tues., May 5, that the Executive Calendar will probably be called on Tues., and that S. 690, to provide research on increased industrial use of agricultural products, "will be postponed for a few days." pp. 6458, 6483

HOUSE

12. LABOR-HEW APPROPRIATION BILL. Passed without amendment this bill, H. R. 6769. As passed the bill includes funds for Federal employees' unemployment compensation, Mexican farm labor program, Bureau of Labor Statistics (including revision of the Consumer Price Index), Wage and Hour Division, Food and Drug Administration, Office of Education (including payments to the colleges of agriculture and the mechanic arts), assistance to schools in Federally impacted areas, White House Conference on Children and Youth, and White House Conference on the Aging. The committee report includes the following statements:

Migratory labor. "For several years this Committee has encouraged the Department of Labor and the Department of Health, Education, and Welfare to do something concrete concerning migratory labor rather than simply studying the problem. The Department of Labor should be congratulated in making a start in this direction; however, much remains to be done. The Department of Labor's responsibility for real action in this area lies largely within the Bureau of Employment Security. The Committee will expect the Bureau to intensify its efforts insofar as they are able to do so within the framework of existing legislation, and if it is felt that additional

as purchasers of milk. Bargaining would be in good faith, at arm's length, between seller and buyer, and no collusion between seller and buyer would be permitted. The right of marketing associations to bargain in a group as seller and the right of handlers to bargain in a group as buyer would be limited to the milk owned and controlled by the marketing associations, and no agreement as to retail prices would be permitted. The proposed bill would not adversely affect the antitrust laws. It merely would recognize a practical application of them to the realities of present-day milk marketing.

This bill is identical to S. 2444, as passed by the Senate last July. It would provide exemptions from the antitrust laws to permit milk marketing cooperatives and their marketing agencies—as those terms are defined in the Capper-Volstead Act—and purchasers from such cooperatives or agencies to bargain in good faith in groups for milk and milk products. The cooperatives are already authorized by the Capper-Volstead Act to bargain through marketing agencies in common. Consequently, permitting the cooperatives themselves to sit down in a group for bargaining purposes does not represent a significant change in substance, although such action may, at present, be prohibited by the antitrust laws. By permitting joint negotiation with all handlers at one time, the bill would provide a more direct, efficient way of reaching the result now required by the Robinson-Patman Act and achieved only by negotiations back and forth between handlers, that is, providing a uniform nondiscriminatory price to all handlers.

The bill also makes it clear that business done for the United States is not to be considered as either member or nonmember business in determining whether a cooperative association meets the requirements the Capper-Volstead Act. This is similar to a provision set out in section 521(b)(5) of the Internal Revenue Code of 1954.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That cooperative associations of producers, and marketing agencies in common owned or controlled by such associations, may bargain in good faith singly or in groups for the sale of milk and milk products and at the request of any one or more of such associations or marketing agencies, acting singly or in groups, dealers, handlers, processors, and other purchasers may bargain in good faith singly or in groups with such association, marketing agency, or group for the purchase of milk and milk products. Nothing in this Act shall be construed to authorize any agreement relating to the price at which milk or any product thereof may be sold by any such dealer, handler, processor, or other purchaser. For the purposes of this Act, "cooperative associations of producers" and "marketing agencies in common" mean such associations and marketing agencies as meet

the requirements of the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291-292). In determining compliance with said Act, business done for the United States or any of its agencies shall not be considered either member or nonmember business.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 184, S. 1289.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. The bill (S. 1289) to increase and extend the special milk program for children.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment on page 1, at the beginning of line 5, to strike out "ending June 30, 1959, not to exceed \$80,000,000, and for the fiscal year ending June 30, 1960, not to exceed \$85,000,000, and for the fiscal year ending June 30, 1961, not to exceed \$90,000,000" and insert "beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed \$80,000,000", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (72 Stat. 276), is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed \$80,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, this bill with the committee amendment, would increase the maximum amount of money which may be used for the special school milk program during the fiscal years ending in 1960 and 1961 to \$80 million, an increase of \$5 million over the amount originally authorized. School enrollment has been increasing and Congress recently increased the amount available for the current year to \$78 million in order to permit the program to continue at its present level. The amounts required for 1960 and 1961 are not likely to be less than those for the current year.

I should like to say that it does not necessarily mean that the amount we authorize would all be spent. The record will bear me out when I say that all the amounts we have authorized in the past have not been spent, but that

some were turned back into the Treasury.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HUMPHREY. It is also included in the report on the bill that the Secretary of Agriculture shall give us advance information, about three months prior to the end of the fiscal year, as to the status of the milk fund. Is that correct?

Mr. JOHNSTON of South Carolina. That is correct; so that we may know what to do in advance in connection with the milk program.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

SUSPENSION OF NUCLEAR WEAPON TESTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 195, Senate Resolution 96.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 96) favoring an international agreement for a suspension of nuclear weapon tests.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Foreign Relations with amendments on page 2, line 11, after the word "and", to strike out "that he asked the Soviet Government to transmit the resolution to the Soviet people"; at the beginning of line 13, to strike out "leaders and people alike will know of"; and in line 15, after the word "Senate", to insert "will be known and be made clear"; so as to make the resolution read:

Resolved, That the Members of the Senate support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests; and be it further

Resolved, That it emphatically endorse the principle that an adequate inspection and control system must be part of any such international agreement involving a suspension of nuclear weapons tests; and be it further

Resolved, That the Senate requests the President of the United States to submit to the Soviet Government the contents of this resolution and so that the desire of the American people speaking through their representatives in the Senate will be known and be made clear for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests.

The preamble was proposed to be amended, so as to read:

Whereas the goal of the people of the United States is a just and lasting peace; and

Whereas the peace of the world is threatened by an arms race of major proportions among the leading powers of which key aspects are the continuing development of devastating nuclear weapons and the maintenance of large standing armies by some states; and

Whereas for thirteen years negotiations to control and limit armaments and armed forces have not led to agreement; and

Whereas representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

Whereas an effective international control system is a necessary component of any worldwide agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

Whereas an agreement regarding the discontinuance of nuclear weapons tests under an effective control system would provide an opportunity to ease world tensions and realize a small but significant first step toward the goal of the control and reduction of nuclear and conventional armaments and armed forces: Therefore, be it

Mr. HUMPHREY. Mr. President, I submit additional amendments and ask that they be read.

The PRESIDING OFFICER. The amendments will be stated for the information of the Senate.

The CHIEF CLERK. On page 1, in the preamble between lines 13 and 14, insert the following:

Whereas an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe, and which is a matter of grave concern to all mankind; and

On page 1, in the preamble in the last line on that page, after the word "effective", to strike out "international" and insert "world-wide"; and

On page 2, in the preamble, in the first line on that page, to strike out the word "worldwide" and insert "international".

So as to make the preamble read:

Whereas the goal of the people of the United States is a just and lasting peace; and

Whereas the peace of the world is threatened by an arms race of major proportions among the leading powers of which key aspects are the continuing development of devastating nuclear weapons and the maintenance of large standing armies by some states; and

Whereas for thirteen years negotiations to control and limit armaments and armed forces have not led to agreement; and

Whereas representatives of the United States, the United Kingdom, and the Soviet Union are now meeting in Geneva for the purpose of drafting a treaty on the discontinuance of nuclear weapons tests; and

Whereas an effective agreement to discontinue nuclear weapons tests would result in a reduction of the hazard from radioactive fallout which contaminates the air that the people of the world must breathe, and which is a matter of grave concern to all mankind; and

Whereas an effective worldwide control system is a necessary component of any international worldwide agreement on the cessation of nuclear weapons tests in which all states are to have confidence; and

Whereas an agreement regarding the discontinuance of nuclear weapons tests under an effective control system would provide an opportunity to ease world tensions and realize a small but significant first step

toward the goal of the control and reduction of nuclear and conventional armaments and armed forces: Therefore, be it

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Minnesota to the text of the resolution.

The CHIEF CLERK. On page 2, line 5, after the word "That", to strike out "it" and insert "the Senate."

The PRESIDING OFFICER. Without objection, the amendments to the text of the resolution are agreed to.

Mr. HUMPHREY. Mr. President, Senate Resolution 96 was reported favorably with amendments by the Committee on Foreign Relations on Friday, April 17, 1959. The report No. 206 enumerates the purposes of the resolution; namely, that the Senate supports continued negotiations by the United States for an international agreement on the suspension of nuclear weapons tests, and that the Senate specifies any such agreement must be accompanied by an effective and workable control and inspection system. The resolution also requests the President to submit the contents of the resolution to the Soviet Government so that the interests of the American people for a successful outcome of the negotiations now underway at Geneva will be made known.

The Committee on Foreign Relations made a few changes in the language of the resolution. The most important consists of modifications to show more clearly the need for control and reductions in conventional armaments and Armed Forces as well as control and reductions in the field of nuclear weaponry. The committee felt that the broad objectives in our efforts to achieve progress in disarmament ought to be stated in addition to stating approval of the specific and more limited objective of a controlled cessation of nuclear weapons tests.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD letters which the Foreign Relations Committee received from the Department of State and the Atomic Energy Commission favoring the purposes of the resolution. The insertion of these letters should make clear the opinion of these two executive agencies.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, April 3, 1959.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR SENATOR FULBRIGHT: As you requested in your letter of March 27, 1959, addressed to the Acting Secretary of State, the Department of State has reviewed Senate Resolution 96, which was introduced in the 86th Congress on March 26, 1959, by Senator HUBERT HUMPHREY.

The Department believes Senate Resolution 96, "favoring an international agreement for a suspension of nuclear weapons tests" should be enacted. The resolution, which is in keeping with U.S. policy on testing, would serve to reaffirm the determination of this Government in achieving a safeguarded discontinuance of nuclear weapons tests. Moreover, when the Geneva Conference on the discontinuance of nuclear weapons tests resumes on April 13, following the cur-

rent recess, Senate Resolution 96 would lend valuable assistance to our delegation's efforts in the negotiations proper by making clear that the Members of the Senate fully support the U.S. position.

In reviewing the resolution, however, the Department has viewed with some concern the phrase " * * * and that he ask the Soviet Government to transmit the resolution to the Soviet people so that leaders and people alike will know of the desire of the American people speaking through their representatives in the Senate for the successful outcome of the negotiations in Geneva for an effective and reliable agreement for the discontinuance of nuclear weapons tests.

While the Department recognizes the desirability of having the Soviet people informed of the U.S. position on testing, we believe submission of the resolution's content, which constitutes an official communication from this Government to the Soviet Government, should properly be restricted to that level.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

JOHN S. HOGHLAND II,
Acting Assistant Secretary
(For the Acting Secretary of State).

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., April 15, 1959.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR SENATOR FULBRIGHT: You asked me April 7 for the Commission's comments regarding Senate Resolution 96, which was introduced by Senator HUMPHREY. This resolution endorses the efforts of the United States to negotiate what it regards as a sensible international agreement under which weapons tests would be suspended if an adequate inspection and control system were a part of the agreement.

We have always thought here in the Commission that an international agreement suspending weapons tests without an adequate inspection and control system would endanger the national security. We have, however, vigorously supported the efforts of the U.S. Government to reach an agreement with effective controls and, as you know, this effort has so far been unsuccessful.

We would favor passage of the resolution. However, in doing so, we would suggest careful consideration and perhaps modification of the wording of the preamble and resolution to clearly state the ultimate goal of control of conventional as well as nuclear weapons.

We are most anxious that the resolution not leave room for the implication that the Senate seeks nuclear disarmament alone. I feel that the security of this country and the free world would be irreparably damaged if such an implication were to gain currency and conventional disarmament be disassociated from nuclear disarmament. Such an event could lay ourselves and our allies open to the marching hordes of communism.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

JOHN A. MCCONE.

Mr. HUMPHREY. Mr. President, by this resolution we make clear the dedication of the Government of the United States, both the executive and legislative branches, to the proposal of the reduction of armaments, known as disarmament, and to the suspension of nuclear tests.

86TH CONGRESS
1ST SESSION

S. 1289

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 1959

Referred to the Committee on Agriculture

AN ACT

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (72 Stat.
4 276), is amended to read as follows: "That for the fiscal
5 year beginning July 1, 1958, not to exceed \$78,000,000,
6 and for each of the two fiscal years thereafter, not to exceed
7 \$80,000,000, of the funds of the Commodity Credit Corpora-
8 tion shall be used to increase the consumption of fluid milk
9 by children (1) in nonprofit schools of high school grade
10 and under; and (2) in nonprofit nursery schools, child
11 care centers, settlement houses, summer camps, and similar

1 nonprofit institutions devoted to the care and training of
2 children.”

Passed the Senate April 30, 1959.

Attest:

FELTON M. JOHNSTON,

Secretary.

AN ACT

To increase and extend the special milk program for children.

MAY 4, 1959

Referred to the Committee on Agriculture

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Wheat.....	1		

HIGHLIGHTS: House debated wheat bill. House subcommittee voted to report bill to increase and extend special milk program. Conferees agreed to file report on Interior appropriation bill (includes FS). Sen. Wiley criticized USDA milk-marketing orders.

HOUSE

1. WHEAT PROGRAM. Concluded debate on H. R. 7246, the wheat bill (pp. 9497-9545, 9559). It is planned to vote on passage of the bill today, June 12 (p. 9545).

Agreed to the following amendments:

The committee amendments to the bill as reported (p. 9525).

By Rep. McGovern, as amended by an amendment by Rep. Moorhead, to limit to \$35,000, beginning with the crop of wheat to be harvested in 1960, the total amount of price support extended to any person each year for wheat through CCC loans or purchases; the amendment exempts cooperative marketing organizations (pp. 9525-28).

By Rep. Latta, as amended by an amendment by Rep. Albert, to provide that farmers eligible to vote in a wheat referendum shall be producers on farms

with respect to which a wheat allotment has been established for the crop of wheat normally harvested in the calendar year in which the referendum is held and who have complied with the acreage allotment (pp. 9528-30).

Rejected the following amendments:

- By Rep. Belcher, 114 to 168, to substitute the text of his bill, H. R. 7611, for the committee bill. Among other things Rep. Belcher explained that his proposed amendment would leave "price supports exactly the same" as they are at present and would "eliminate the 15-acre exemption" on the production of wheat (pp. 9530-40, 9501-05).
 - By Rep. Morris to provide a direct payments plan for wheat (pp. 9533-5, 9540).
 - By Rep. Brown, Mo., 35 to 92, to provide that if marketing quotas are disapproved for the 1960 crop of wheat, no price support shall be available for the 1960 crop and each subsequent crop (pp. 9535-39).
 - By Rep. Quie to provide that if marketing quotas are disapproved for the 1960 crop of wheat, the level of price support to cooperators and noncooperators for the 1960 crop and each subsequent crop shall be "not less than 50" per cent of the parity price of wheat (p. 9539).
 - By Rep. Hagen, 97 to 132, to provide certain exemptions for the over-planting of wheat allotments (pp. 9539-40). A similar amendment by Rep. Hagen was later rejected 105 to 148 (p. 9541).
 - By Rep. Michel, 99 to 136, to limit to \$50,000 the total amount of CCC loans and purchases to any wheat producer for the 1960 crop (p. 9540).
 - By Rep. Quie, to require reductions in wheat acreage allotments over and above the 25 per cent reduction required by the bill (p. 9540).
 - By Rep. Quie, to require a reduction in wheat acreage allotments of 30 percent rather than 25 percent as provided in the bill (p. 9541).
 - By Rep. Quie, to prohibit price supports and acreage allotments to any producer who permits acreage taken out of production (under the 25 percent reduction provision) to be harvested or grazed (p. 9541).
 - By Rep. Quie, to repeal the law providing for a 15-acre exemption on the production of wheat "effective beginning with the 1960 crop of wheat" (p. 9541).
 - By Rep. Latta, to retain the 15-acre exemption instead of reducing it to 12 acres as provided in the bill (p. 9542).
 - By Rep. Smith, Iowa, to permit CCC to redeem in cash certificates issued for payments in wheat for producers who reduce wheat allotments (p. 9542).
- A vote on passage of the bill was postponed until today, June 12, after Rep. Hoffman requested that an engrossed copy of the bill be read (p. 9545).

2. MILK. A subcommittee of the Agriculture Committee voted to report to the full committee with amendment S. 1289, to increase and extend the special milk program. p. D466
3. APPROPRIATIONS. Conferees agreed to file a report on H. R. 5915, the Interior and related agencies appropriation bill for 1960 (includes the Forest Service) (p. D467). House conferees were appointed earlier. Senate conferees have already been appointed (p. 9496). The conferees were granted permission to file a report by midnight Fri., June 12 (p. 9496).
4. FEDERAL BUILDINGS. The Public Works Committee voted to report (but did not actually report) with amendment H. R. 7645, to grant GSA additional authority for the construction, alteration, and acquisition of Federal public buildings. p. D467
5. PUBLIC WORKS; FLOOD CONTROL. The Public Works Committee voted to report (but did not actually report) H. R. 7634, to authorize the construction, repair,

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HIGHLIGHTS: House agreed to resolution to disapprove Reorganization Plan 1 on forest land authorities. House committee voted to report bills to: Extend special milk program. Require State contributions to feed and seed costs in disaster areas. Extend authority for refinancing farm loans. Senate debated mutual security bill. Senate received President's veto of housing bill. Sen. Dirksen introduced and discussed bill to extend and expand conservation reserve program.

HOUSE

- 1. FORESTRY; REORGANIZATION.** Agreed to, 266 to 124, H. Res. 295, to disapprove Reorganization Plan No. 1 of 1959, which would transfer from Interior to this Department certain authorities for the exchange or sale of forest land and timber. p. 11618. (This action means the plan has been rejected by the Congress.)
- 2. MILK.** The Agriculture Committee voted to report (but did not actually report) with amendment S. 1289, to increase and extend the special milk program. p. D575
- 3. DISASTER RELIEF.** The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 6861, to require contributions by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. p. D575

4. PEANUTS. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 4938, to continue the exemption of green peanuts from acreage allotments and marketing quotas. p. D575
5. FARM LOANS. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 7319, to amend Sec. 17 of the Bankhead Jones Farm Tenant Act so as to continue the authority of FHA to make real estate loans for refinancing farm debts. p. D575
6. LANDS. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 4697, to provide for conveyance of certain interests to Clemson Agricultural College in the lands previously conveyed to the college. p. D575
7. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee approved two watershed projects in Washington State. p. D575
8. PERSONNEL. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 7529, to authorize the waiver of collection of certain erroneous payments made by the Federal Government to certain civilian and military personnel. p. D576
9. LEGISLATIVE PROGRAM. The "Daily Digest" states that the House will consider on Wed. H. R. 7645, to provide for the construction, alteration, and acquisition of Federal buildings. p. D575

SENATE

10. MUTUAL SECURITY. Continued debate on S. 1451, the mutual security authorization bill for 1959 (pp. 11679-81, 11700-10, 11712-19, 11720-52, 11753). Agreed to an amendment by Sen. Humphrey to provide that foreign currencies appropriated under sec. 104 (k) of Public Law 480 for scientific research, translations, and dissemination of scientific information shall be "over and above the dollar appropriations" for this purpose. Sen. Humphrey explained this was a clarifying amendment as a result of a Budget Bureau interpretation "that the soft currencies were to be taken out of dollar funds appropriated for a particular item." (pp. 11748-9)
11. HOUSING. Received from the President his veto message on S. 57, the housing bill for 1959. Several Senators debated the President's action in vetoing the bill. pp. 11689-700, 11752
12. MONOPOLIES. Concurred in a House amendment to S. 726, to amend the Clayton Act so as to provide for the more expeditious enforcement of cease and desist orders. This bill will now be sent to the President. pp. 11686-7, 11710-12
13. INFLATION. Sen. Butler inserted an article, "Creeping Catastrophe," discussing the dangers of inflation, and stated that he completely endorsed the report of the Cabinet Committee on price stability for economic growth. pp. 11687-8
14. CIVIL DEFENSE. Sen. Young, O., criticized the civil defense activities of the Office of Civil and Defense Mobilization, and urged that these functions be "distributed to the agencies where they properly belong." pp. 11683-5
Sen. Javits inserted and discussed a report by the Governor of N. Y. "on the civil defense posture of the United States," and stated that an effective civil defense program is indispensable to our security. pp. 11688-9

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HIGHLIGHTS: See page 7.

HOUSE

1. MUTUAL SECURITY. Received the conference report on H. R. 7500, the mutual security authorization bill for 1959 (H. Rept. 695). pp. 12660-70, 12713
As reported by the conferees, the bill authorizes \$3,556,200,000 for the fiscal year 1960 as well as \$1,100,000,000 for advances to the Development Loan Fund during the fiscal year 1961. It earmarks \$175 million of 1960 mutual security funds to finance U. S. surplus agricultural commodities and authorizes their grant as well as sale. The Humphrey amendment regarding availability of commodities for domestic relief if available for foreign aid, was adopted in a modified form that (according to the House conferees) "allows sufficient flexibility in the administration of the program and at the same time indicates the

intent of Congress that our own people should not be at any disadvantage in sharing surplus food commodities." The bill amends Public Law 480 by inserting "research" in Sec. 104 (k) regarding use of foreign currencies.

Rep. Meader and others discussed the activities of a subcommittee of the Government Operations Committee in investigating the administration and use of foreign aid funds, and Rep. Meader stated that the Investigation conducted by this subcommittee "furnishes an excellent example of the manner in which a well-run Congressional investigating committee can make its contribution to the improvement of legislation or ... of its administration." pp. 12705-12

2. MILK. The Agriculture Committee reported with amendments S. 1289, to increase and extend the special milk program (H. Rept. 689). p. 12713 (H. Rept. 689)
3. WHEAT; FOREIGN AFFAIRS. Received from this Department a proposed bill, "To amend the International Wheat Agreement Act of 1949, as amended, to extend the authority contained in that Act until July 31, 1962"; to the Banking and Currency Committee. p. 12713
4. DISASTER RELIEF. The Agriculture Committee reported with amendment H. R. 6861, to require contributions by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas (H. Rept. 692). p. 12713
5. ATOMIC ENERGY COMMISSION APPROPRIATION BILL FOR 1960. Passed as reported this bill, H. R. 8283 (pp. 12672-83). Rep. Jensen expressed the hope that the Atomic Energy Commission will "come up with the answer as to how we can extract alcohol from this great quantity of surplus grains which we have in storage" (p. 12674).
6. PEANUTS. The Agriculture Committee reported with amendment H. R. 4938, to continue the exemption of green peanuts from acreage allotments and marketing quotas (H. Rept. 691). p. 12713
7. CREDIT UNION. The Banking and Currency Committee reported without amendment H. R. 8305, to amend the Federal Credit Union Act (H. Rept. 696). p. 12713
8. RECLAMATION. Received from Interior ^{Department} a letter relative to an application for a loan for the Weber-Box Elder Conservation District at Ogden, Utah, pursuant to the Small Reclamation Projects Act of 1956, as amended. p. 12713
9. FOREIGN TRADE. Received the annual report of the Tariff Commission on the operation of the Trade Agreements Program. p. 12713
10. SURPLUS PROPERTY. Received from GSA a proposed bill "to amend the Federal Property Administrative Services Act of 1949, to promote the utilization of excess property, and to simplify the reimbursement procedure for transfer of such property"; to Government Operations Committee. p. 12713
11. ADMINISTRATIVE AUTHORITY. Received from the Florida Legislature a memorial relative to the authority delegated to administrative officers of all Federal agencies and its application to effectuate the provisions of Federal statutes. p. 12714
12. PERSONNEL; TRAVEL. As reported H. R. 5196, to increase the maximum rates of per diem travel allowance for Federal employees, provides as follows: Increases the maximum per diem allowance for subsistence and travel expenses for regular Government employees from the present \$12 per day to \$15 per day.

INCREASED AUTHORIZATION FOR THE 1960 AND 1961 SCHOOL MILK PROGRAM

JULY 21, 1959.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

MR. COOLEY, from the Committee on Agriculture, submitted the
following

R E P O R T

[To accompany S. 1289]

The Committee on Agriculture, to whom was referred the bill (S. 1289) to increase and extend the special milk program for children, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 1, lines 6 and 7, strike out "each of the two fiscal years thereafter, not to exceed \$80,000,000," and insert in lieu thereof "the fiscal year beginning July 1, 1959, not to exceed \$81,000,000, and for the fiscal year beginning July 1, 1960, not to exceed \$84,000,000,".

PURPOSE

The purpose of this bill is to increase by \$6 million in fiscal 1960 and by \$9 million in fiscal 1961 the maximum amount of money which may be used by the Secretary of Agriculture for the special school milk program authorized by section 201(c) of the Agricultural Act of 1949, and Public Law 85-478. As originally enacted, Public Law 85-478 authorized \$75 million for each of the fiscal years 1959, 1960, and 1961. Earlier in this session the committee found that increased enrollment of schoolchildren required an additional \$3 million in order to continue the program at its present level for the balance of the fiscal year ending June 30, 1959. Accordingly, the Congress provided this additional \$3 million for fiscal 1959 in Public Law 86-10. However, additional increases for fiscal 1960 and 1961 were left for further study.

This bill is the result of further study by the committee and in recognition of the continued increase of school enrollment, it provides the necessary funds for the next 2 fiscal years to continue this highly

successful program. The Secretary will use the additional funds authorized by the bill only to the extent necessary to continue the program at its present level.

HISTORY OF THE PROGRAM

The special milk program was first authorized in the revised dairy price support provisions of the Agricultural Act of 1954 which was enacted into law in August of that year. The details of the program were announced by the Department in early September, as schools were about to open for the fall term. Despite the short time available to State educational agencies and individual schools to lay plans for a new or enlarged milk service, over 41,000 schools entered the program that first year. Almost 450 million half pints were distributed under the program and expenditures totaled \$17.1 million.

The original program was limited to schools, and after consultation with both dairy and school officials, major modifications were made in the program for its second year of operation. These modifications were undertaken, first, to permit a more effective use of CCC funds in reducing prices to children and, second, to provide for additional simplifications in records and reports at the school level.

The modified program was immediately successful and the volume of milk moving under the program increased more than threefold in the second year—to almost 1.4 billion half pints. The number of schools increased from 41,000 to 62,000 and the expenditure of CCC funds rose from \$17.1 million to almost \$46 million in fiscal year 1956.

The program provisions for schools—where milk is sold as a separately priced item—has continued unchanged since the second year of operation. Within the maximum rates established by the Department, these schools are reimbursed for reducing the selling price to children below the cost of the milk and for the expenses they incur in distributing the milk (such as the purchase of milk service equipment, labor, straws, etc.). From the outset the maximum rate of reimbursement has been 4 cents per half pint for schools participating in the national school lunch program, but they do not receive any payment for the half pint of milk that is served as part of a type A lunch. Schools not participating in the national school lunch program can receive up to 3 cents per half pint for the milk served to children.

The legislation passed in 1956, which continued the program through June 30, 1958, also extended it to nonprofit summer camps, settlement houses, and other child-care institutions. About 3,000 camps participated in the program last summer and reimbursements totaled about \$650,000. Although camp and institutional operations are small in relation to the school program, the program has made it possible for these groups to provide a much more adequate milk service for children.

The special milk program at present is operating in over 78,000 schools and in 1,500 child-care institutions. With the addition of summer camps, the number of outlets exceeds 80,000. According to the latest USDA figures, milk consumption was close to 2.2 billion half pints in fiscal 1959, or about 2 percent of the annual fluid-milk consumption by our nonfarm population.

The following table shows the growth of the program from its inception through fiscal year 1958.

Special milk program—Participation, milk consumption, and expenditures, fiscal years 1955–59

Fiscal year	Number of outlets participating	Milk consumption (million half pints)	Expenditures (million dollars)	Increase in expenditures over previous year
				<i>Percent</i>
1955.....	41, 094	449. 8	17. 1	-----
1956.....	62, 266	1, 394. 2	45. 9	168. 4
1957 ¹	71, 239	1, 752. 7	60. 5	31. 8
1958.....	76, 478	1, 918. 2	66. 3	9. 6
1959 (estimated).....	² 80, 000	2, 175. 0	75. 0	13. 0

¹ In addition to schools, program was extended by Congress to summer camps and other child-care institutions

² Does not include summer camps. Summer camps in summer of 1957, 2,220; summer of 1958, 3,026.

HEARINGS

The committee had before it 13 bills (in addition to this bill) authorizing an increase in the funds available for the special milk program. Most of these bills would have increased the available amount for fiscal 1960 by \$10 million and for fiscal 1961 by \$15 million. Bills considered by the committee were—

H.R. 1938, H.R. 3197, and H.R. 5433, by Mr. Quie.

H.R. 5248, by Mr. Johnson of Wisconsin.

H.R. 5408, by Mr. Kastenmeier.

H.R. 5413 and H.R. 5932, by Mr. Laird.

H.R. 5414, by Mr. Langen.

H.R. 5430, by Mr. Nelsen.

H.R. 5487, by Mr. Andersen of Minnesota.

H.R. 5600, by Mr. McGovern.

H.R. 5604, by Mr. Meyer.

H.R. 5613, by Mr. Brown of Missouri.

Hearings were held by the Dairy and Poultry Subcommittee on May 20, 1959. All Members of Congress, general farm organizations, commodity organizations, and other witnesses who participated in the hearing favored an expansion of the special milk program.

COMMITTEE AMENDMENT

The committee has reported the bill S. 1289, which would have increased the available funds for fiscal 1960 and 1961 by \$5 million in each fiscal year. The committee amendment increases the available funds by \$6 million for fiscal 1960 and by \$9 million for fiscal 1961.

The committee felt that the increase was justified in view of the projected increase of school enrollment. The official projection of the Department of Health, Education, and Welfare through 1960–61 is as follows:

	<i>Million</i>
1958–59.....	40. 7
1959–60.....	42. 2
1960–61.....	43. 7

SCHOOL MILK PROGRAM

DEPARTMENTAL POSITION

The Department of Agriculture witnesses reiterated the position of the Department presented to the committee on March 17, 1959. The Department did not favor an increase in authorization for fiscal 1959 nor does it now favor an increase for fiscal 1960 and 1961.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

PUBLIC LAW 85-478, AS AMENDED

AN ACT To continue the special milk program for children in the interest of improved nutrition by fostering the consumption of fluid milk in the schools

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for each of the two fiscal years thereafter, not to exceed **[\$75,000,000]** *\$80,000,000*, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child-care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children.

Amounts expended hereunder and under the authority contained in the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, shall not be considered as amounts expended for the purpose of carrying out the price-support program.



86TH CONGRESS
1ST SESSION

S. 1289

[Report No. 689]

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 1959

Referred to the Committee on Agriculture

JULY 21, 1959

Reported with an amendment, committed to the Committee of the Whole House
on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

AN ACT

To increase and extend the special milk program for children.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of Public Law 85-478 (172 Stat.
4 276), is amended to read as follows: "That for the fiscal
5 year beginning July 1, 1958, not to exceed \$78,000,000,
6 and for each of the two fiscal years thereafter, not to exceed
7 ~~\$80,000,000~~ *the fiscal year beginning July 1, 1959, not to*
8 *exceed \$81,000,000, and for the fiscal year beginning July*
9 *1, 1960, not to exceed \$84,000,000,* of the funds of the
10 Commodity Credit Corporation shall be used to increase
11 the consumption of fluid milk by children (1) in nonprofit

1 schools of high school grade and under; and (2) in nonprofit
 2 nursery schools, child care centers, settlement houses, sum-
 3 mer camps, and similar nonprofit institutions devoted to the
 4 care and training of children.”

Passed the Senate April 30, 1959.

Attest:

FELTON M. JOHNSTON,

Secretary.

Union Calendar No. 289

86TH CONGRESS
1ST SESSION

S. 1289

[Report No. 689]

AN ACT

To increase and extend the special milk pro-
gram for children.

MAY 4, 1959

Referred to the Committee on Agriculture

JULY 21, 1959

Reported with an amendment, committed to the Com-
mittee of the Whole House on the State of the
Union, and ordered to be printed

July 24, 1959

Page 124

\$10,000,000) (H. Rept. 709) (pp. 12819-25)

As reported by the conferees, the bill appropriates \$4,000,000 for civil defense research and development. It appropriated \$152,773,000 for the National Science Foundation including funds for studies concerning weather modification, a feasibility study for a National Institute for Atmospheric Research, and dissemination of scientific information. For GSA, it authorizes \$3,230,000 for operating expenses for the strategic and critical materials stockpiling program, provides that total obligations of funds for the stockpiling shall not exceed \$50,000,000, and provides for the rescission of funds in the materials stockpiling program in excess of \$50,000,000 (pp. 12810-21)

17. **ELECTRIFICATION.** Agreed to a resolution, after voting 243 to 167 to consider the measure, providing for House concurrence in Senate amendments to H. R. 3460, the TVA self-financing bill. This bill will now be sent to the President (pp. 12796-818). Rep. Jones criticized an amendment which Rep. Davis, Tenn. said gives the Treasury "control over both timing and maximum rate of interest but requires that within 7 working days following the date on which he is advised of a proposed sale he must either approve the sale or furnish interim financing." Rep. Jones stated that this amendment "carries the principle of 'backdoor financing' to a ridiculous length, and that that he is opposed to that type of withdrawal of funds from the Treasury (pp. 12798, 12802). Rep. Andersen, Minn., stated that he opposed the enactment of this bill because "the enemies of REA would be in here citing this action as a precedent for REA" (p. 12803). Rep. Fenton criticized the bill because he said it "opens the door for new areas to demand and to be given TVA power" (p. 12833). Rep. Stratton expressed his displeasure at the Senate striking from the bill the Buy American provision. Rep. Davis, Tenn., stated that the provision is "unnecessary since TVA is already subject to the Buy American Act, and Rep. Smith, Miss., inserted a letter from TVA substantiating this (pp. 12797, 12798).
18. **MILK.** As reported S. 1289, to increase and extend the special milk program, increases by \$6 million (to \$81,000,000) in fiscal year 1960 and by \$9 million (to \$84 million) in fiscal year 1961, the maximum amount of CCC funds which may be used by this Department for the program.
19. **FARM LOANS; BANKING.** On July 21 the House Banking and Currency Committee reported without amendment H. R. 8160 (H. Rept. 695). The committee report describes certain provisions of this bill as follows:

"*** increases the limit on borrowing by national banks, from 100 percent of capital to 100 percent of capital plus 50 percent of surplus. Section 3 relates to the limit on loans by national banks to one borrower. Generally, this limit is now 10 percent of the bank's capital and surplus, but there are several exceptions. The bill makes further revisions in this limit, for loans secured by refrigerated or frozen foods, discounts by dealers in dairy cattle, loans secured by U. S. Government obligations, and discounts of consumer installment paper by dealers. Section 4 liberalizes some of the restrictions on real estate loans by national banks. The bill would allow national banks to make real estate loans up to 20 years, covering up to 75 percent of the appraised value of the real estate, if the loans are fully amortized. It would also permit loans on leaseholds that run at least 10 years beyond the loan maturity. Finally, it would relax certain existing restrictions on construction loans, exempt from the usual restrictions on real estate loans any loan fully guaranteed by a State or State authority, and allow a bank to take a mortgage as additional security on certain business loans without thereby becoming subject to the real estate loan restrictions.***"

20. MUTUAL SECURITY. The Appropriations Committee was granted permission to file by midnight Friday, July 24, a report on the mutual security appropriation bill for 1960. p. 12795
21. FOREIGN AFFAIRS; ECONOMIC AID. Received from the President a communication transmitting a report on Economic Assistance entitled, "Programs and Administration," submitted to him by the President's Committee To Study the United States Military Assistance Program (Draper Committee) (p. 12859). A copy of the text of this report appearing in the New York Times shows one recommendation as follows: "A single agency should be made responsible for administering the major related economic assistance programs and activities now scattered among a number of departments and agencies in Washington."
Rep. Edmondson and others urged the adoption of a resolution to put into use the Great White Fleet in support of American foreign policy and Rep. Edmondson asked, "'how can we justify further delays in the use of our abundant food surpluses, to relieve the hunger of children all over the world?" and stated that these ships that are now standing idle could be used to transport our food surpluses abroad. pp. 12839-45
22. FARM LOANS. The Agriculture Committee reported without amendment H. R. 7629, to amend Sec. 17 of the Bankhead Jones Farm Tenant Act so as to continue indefinitely the authority of FHA to make real estate loans for refinancing farm debts (H. Rept. 707). p. 12859
23. COTTON. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 7740, to provide for the preservation of acreage history and the reallocation of unused cotton acreage allotments. p. D654
24. SURPLUS PROPERTY. A subcommittee of the Government Operations Committee voted to report to the full committee H. R. 3722, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer firefighting organizations. p. D655
25. WILDLIFE; LANDS. A subcommittee of the Judiciary Committee voted to report to the full committee H. R. 2725, to prohibit the use of aircraft or motor vehicles to hunt wild horses on land belonging to the United States. p. D655
26. INTEREST RATES. Rep. Byrnes, Wis., urged that the President's recommendations concerning the removal of the interest rate ceiling on certain Government Bonds be reported to the floor "so that a majority of the members can work their will," and urged support for such a bill, and Rep. Curtis and others commended and discussed the interest rate proposal. pp. 12845-50, 12853-5
27. FORESTRY. Rep. Porter expressed his thanks to the Forest Service and its junior forest ranger program which it started in 1953, commended these and other firefighting and prevention methods, stated that the Forest Service is "building better access roads to forest areas," and inserted two articles on the subject. pp. 12855-7
28. MINIMUM WAGE. Rep. Teller stated that "we ought forthwith to act on increasing the national minimum hourly wage to \$1.25 and extending the wage hour law to the 9 million working people who are now denied coverage under the present law." pp. 12858-9
29. LEGISLATIVE PROGRAM. Rep. McCormack announced that on Mon., July 27, the House would probably consider H. R. 7022, to provide for U. S. participation in the Inter-American Development Bank, that if the President signs the Mutual Security

5. FOREIGN AFFAIRS. Both Houses received from the National Advisory Council on International Monetary and Financial Problems a report on its activities for July 1 to Dec. 31, 1958. pp. 13568, 13719
6. VETERANS' BENEFITS. Sens. Young, O., and Yarborough urged the enactment of legislation to provide education benefits to veterans who have served in the Armed Forces since the Korean conflict. pp. 13600-2
7. FORESTRY; NATURAL RESOURCES. Sen. Neuberger inserted a letter from the Citizens Committee on Natural Resources urging the enactment of legislation for the preservation of wilderness areas. pp. 13609-10
Sen. Murray inserted an article by the chief of staff of the Menninger Foundation discussing the need for recreational activities, and stating that "wilderness and near wilderness areas are essential to the mental health of both children and adults." pp. 13626-8
8. TEXTILES. Sen. Pastore inserted a Department of Commerce press release discussing the first meeting of the interdepartmental Textile Industry Advisory Committee studying problems in the textile industry. pp. 13618-9
9. MINERALS. S. 1855, to amend the Mineral Leasing Act of 1920 so as to increase certain acreage limitations with respect to Alaska, was made the unfinished business. p. 13653
10. ECONOMIC CONDITIONS. Sen. Javits discussed the "economic and budgetary realities confronting the Congress," including comments on inflation, Federal expenditures, foreign aid, and the importance of food in our foreign aid program. pp. 13657-69
Sen. Williams, Del., discussed our "serious economic and financial crisis," and urged a reduction in Federal expenditures and the control of inflation. pp. 13675-80
11. ELECTRIFICATION. Sen. Morse opposed proposed legislation to authorize Federal subsidies to private power companies operating up-stream storage dams, and inserted a statement by Rep. Ullman, and his own statement before the S. Interstate and Foreign Commerce Committee, opposing such legislation. pp. 13682-4

HOUSE

12. MILK. Passed, under suspension of the rules, S. 1289, to increase and extend the special milk program (pp. 13710-2). Earlier in the day, at the request of Rep. Pelly, S. 1289 was passed over without prejudice (p. 13690). ~~See Digest 124 for the provisions of this bill.~~
13. DISASTER RELIEF. Passed, under suspension of the rules, H. R. 6861, to require contributions by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas. pp. 13709-10
14. PEANUTS. Passed as reported H. R. 4938, to continue the exemption of green peanuts from acreage allotments and marketing quotas. p. 13690
15. COTTON. Debated, under suspension of the rules, H. R. 7740, to provide for the preservation of acreage history and the reallocation of unused cotton acreage allotments. In the light of an absence of a quorum and under unanimous agreement, the vote on this bill was passed over until Wed., Aug. 5. pp. 13702-9

16. FARM LOANS. Passed with amendment S. 1512, to amend the Federal Farm Loan Act so as to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks. The House previously passed with amendment H. R. 6353, a similar bill, and then substituted the provisions of H. R. 6353 for the language in S. 1512, and H. R. 6353 was laid on the table. The amendment, which was offered by Rep. Murray, was to make the retirement deductions 7% for certain employees who would become employees of the banks. pp. 13690-7
- Passed without amendment H. R. 7629, to amend Sec. 17 of the Bankhead-Jones Farm Tenant Act so as to continue indefinitely the authority of FHA to make real estate loans for refinancing farm debts. p. 13698
17. LANDS; LEASING; MINERALS. Passed without amendment S. 1110, to allow this Department to convey interests in submarginal lands to Clemson College, S.C. H. R. 4697, a similar bill, was laid on the table. This bill will now be sent to the President. p. 13690
- Passed as reported H. R. 6940, to amend the Mineral Leasing Act of 1920 so as to increase certain acreage limitations with respect to Alaska. p. 13699
- Passed as reported H. R. 6939, to amend the act providing for the leasing of coal lands in Alaska so as to increase the acreage limitation in such act p. 13699-700
- Passed without amendment H. R. 5849, to modify conditions under which Alaska may select lands made subject to lease, permit, license, or contract. p. 13701
- The Subcommittee on Departmental Oversight and Consumer Relations of the Agriculture Committee voted to report to the full committee two bills: (1) H. R. 5442, to authorize this Department to convey certain lands in Iowa to the city of Keosauqua; and (2) H. R. 6669, with amendment, to provide that the Louisiana State University may use certain real property heretofore conveyed to it for general educational purposes. p. D701
18. RECLAMATION. Conferees were appointed on S. 994, to authorize the Interior Department to construct, operate, and maintain the Spokane Valley project, Wash and Idaho, under Federal reclamation laws. Senate conferees have been appointed. p. 13687
19. COCONUT OIL. Passed over, at the request of Rep. Weaver, H. J. Res. 441, to authorize the disposition of approximately 265 million pounds of coconut oil from the national stockpile. p. 13690
20. DEFENSE DEPARTMENT APPROPRIATION BILL FOR 1960. Received the conference report on this bill, H. R. 7454 (H. Rept. 743). pp. 13685-7, 13719
21. INTERGOVERNMENTAL RELATIONS. The Government Operations Committee reported (on July 31, during adjournment) with amendment H. R. 6904, to establish an advisory Commission on Intergovernmental Relations (H. Rept. 742). p. 13719
22. FOREIGN TRADE. A report submitted on July 29, on the Second Meeting of the Canada-United States Interparliamentary Group (U. S. Members of Congress and Canadian M. P.'s), includes a discussion on trade problems (relating mainly to minerals) between the two countries and a section on boundary water problems, including the St. Lawrence Seaway (H. Rept. 730).
23. TEXTILES; FOREIGN TRADE. The Ways and Means Committee voted to report (but did not actually report) two bills with amendment: (1) H. R. 2886, to suspend for 3 years the import duties on certain classifications of spun silk yarn; and (2) H. R. 6249, to liberalize the tariff laws for works of art and other exhibition material. p. D702

for railroad purposes granted to the Port of Boston Authority and a drainage easement to the city of Boston, in consideration of the conveyance by the Massachusetts Port Authority to the United States of America, free of all encumbrances, the following lands, together with any improvements thereon: (a) An area of approximately 60,300 square feet occupied by the United States under permit A-260 issued by the Port of Boston Commission of the Commonwealth of Massachusetts, bearing Department of the Navy instrument numbered NOY (R)-65507; and (b) an area of approximately 109,264 square feet occupied by the United States under permit A-261 issued by the Port of Boston Commission of the Commonwealth of Massachusetts, bearing Department of the Navy instrument numbered NOY (R)-65508.

SEC. 2. The conveyance to the Massachusetts Port Authority authorized by the first section of this Act shall be made subject to the following express conditions: (a) That the Massachusetts Port Authority, at its own expense, will preserve and maintain in a condition suitable for, and not inconsistent with, the purposes of the Authority, the lands and the improvements existing on said property on the date of enactment of this Act, and those which may be constructed thereon after such date of enactment; (b) that in a time of war or national emergency the United States shall have the right of the free and unlimited use of all said property including any improvements which may be erected by the grantee, but the United States shall pay a fair rental for any improvements made after the date of enactment of this Act and shall be responsible during the period of such use for the entire cost of maintaining said property.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING COAST GUARD TO SELL CERTAIN UTILITIES

The Clerk called the bill (S. 577) to amend title 10, United States Code, section 2481, to authorize the U.S. Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2481 of title 10, United States Code, is amended as follows:

(1) Subsection (a) is amended as follows:

(A) By striking out the words "of a military department" and inserting in place thereof the word "concerned".

(B) By striking out the word "or" immediately following the words "Air Force," and inserting the words "or Coast Guard," immediately following the words "Marine Corps,".

(2) Subsection (c) is amended by striking out the words "of the military department".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING COAST GUARD TO SELL SUPPLIES TO VESSELS

The Clerk called the bill (S. 1367) to amend title 14, United States Code, entitled "Coast Guard", to authorize the

Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 17 of title 14, United States Code, is amended by adding the following new section:

"SEC. 654. The Secretary under such regulations as he may prescribe, may sell to public and commercial vessels and other watercraft, such fuel, supplies and furnish such services as may be required to meet the necessities of the vessel or watercraft if such vessel or watercraft is unable—

"(1) to procure the fuel, supplies, or services from other sources at its present location; and

"(2) to proceed to the nearest port where they may be obtained without endangering the safety of the ship, the health and comfort of its personnel, or the safe condition of the property carried aboard.

Sales under this section shall be at such prices as the Secretary considers reasonable. Payment will be made on a cash basis or on such other basis as will reasonably assure prompt payment. Amounts received from such a sale shall, unless otherwise directed by another provision of law, be credited to the current appropriation concerned and are available for the same purposes as that appropriation."

SEC. 2. The analysis of chapter 17 of title 14, United States Code, is amended by adding the following new item:

"654. Public and commercial vessels and other watercraft; sale of fuel, supplies, and services."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INCREASED COMPENSATION OF KEEPERS OF LIGHTHOUSES

The Clerk called the bill (H.R. 2245) to amend subsection 432(g) of title 14, United States Code, so as to increase the limitation on basic compensation of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard from \$3,750 to \$5,100 per annum.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 14 of the United States Code, subsection 432(g), is amended by striking the amount "\$3,750" therein and inserting in lieu thereof the amount "\$5,100".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TRANSFER BY NAVY TO COAST GUARD OF CERTAIN PROPERTY

The clerk called the bill (H.R. 7943) to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. DURHAM. Mr. Speaker, I ask unanimous consent that an identical Senate bill, S. 2153, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Coast Guard is authorized to accept from the Department of the Navy, without reimbursement, the forty-two unit defense housing facility at Yorktown, Virginia, and to operate and maintain such facility on a rental basis for occupancy by Coast Guard personnel and their dependents pursuant to the provisions of the Act of July 2, 1945 (59 Stat. 316; 37 U.S.C. 111a).

SEC. 2. Until June 30, 1960, rents collected may be utilized in operating and maintaining the facility, after which date they shall be deposited in the Treasury to the credit of miscellaneous receipts. Coast Guard appropriations shall be available for the cost of operating and maintaining the housing facility.

SEC. 3. The administration of the housing facility by the Coast Guard shall, except as provided in section 2, be in conformity with the administration of similar housing projects by the other Armed Forces.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7943) was laid on the table.

DISPOSAL FROM THE NATIONAL STOCKPILE

The Clerk called the concurrent resolution (H. Con. Res. 166) providing the express approval of the Congress under section 3(e) of the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished gem-quality diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress expressly approves, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (53 Stat. 811, as amended; 50 U.S.C. 98b(e)), the disposal of the following materials from the national stockpile in accordance with the plans of disposal published by General Services Administration in the Federal Register on the dates indicated—

(a) approximately forty-seven thousand and forty-nine carats of rough cuttable gem-quality diamonds and eight thousand four hundred and twelve carats of cut and polished gem-quality diamonds, Federal Register of August 5, 1958 (23 F.R. 5944);

(b) approximately twenty-seven troy ounces of osmium, two thousand five hundred and fifteen troy ounces of rhodium and fifty-one ounces of ruthenium, Federal Register of August 15, 1958 (23 F.R. 6311); and

(c) approximately fifteen thousand nine hundred and two short dry tons of zircon

concentrates, Federal Register of March 13, 1953 (24 F.R. 1844).

All funds derived from the sales authorized by this concurrent resolution shall be deposited into the Treasury as miscellaneous receipts.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

COCONUT OIL

The Clerk called the joint resolution (H.J. Res. 441) relating to the disposition of coconut oil from the national stockpile under the Strategic and Critical Materials Stockpiling Act.

Mr. WEAVER. Mr. Speaker, at the request of another Member who is unable to be present today, I ask unanimous consent that this measure be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska.

There was no objection.

RETIREMENT OF U.S. COMMISSIONERS

The Clerk called the bill (H.R. 163) to amend the Civil Service Retirement Act with respect to the crediting of service of U.S. commissioners for purposes of such act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(1) of the Civil Service Retirement Act (5 U.S.C. 2253(1)) is amended—

- (1) by striking out in the first sentence thereof "on the basis of one three hundred and thirteenth of a year for each day on which such United States commissioner renders service in such capacity" and inserting in lieu thereof "on the basis of one two hundred and thirty-eighth of a year for each day on which such United States commissioner renders service in such capacity", and
- (2) by striking out in the second sentence thereof "three hundred and thirteen days in any one year" and inserting in lieu thereof "two hundred and thirty-eight days in any one year".

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 3(1) of the Civil Service Retirement Act (5 U.S.C. 2253(1)) is amended—

- "(1) by striking out in the first sentence thereof 'on the basis of one three hundred and thirteenth of a year for each day on which such United States commissioner renders service in such capacity' and inserting in lieu thereof 'on the basis of one three hundred and thirteenth of a year for each day prior to July 1, 1945, and one two hundred and sixtieth of a year for each day after June 30, 1945, on which such United States commissioner renders service in such capacity', and

- "(2) by striking out in the second sentence thereof 'for more than three hundred and thirteen days in any one year' and inserting in lieu thereof 'for more than three hundred and thirteen days in any one year prior to July 1, 1945, or for more than two hundred and sixty days in any one year after June 30, 1945'.

"Sec. 2. Notwithstanding any other provision of law, benefits payable by reason of the

amendments made by the first section of this Act shall be paid from the civil service retirement and disability fund.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL MILK PROGRAM FOR CHILDREN

The Clerk called the bill (S. 1289) to increase and extend the special milk program for children.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PEANUTS FOR BOILING

The Clerk called the bill (H.R. 4938) to amend the Agricultural Adjustment Act of 1938 to make permanent the definition of "peanuts" which is now in effect on a temporary basis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last paragraph of the Act entitled "An Act to amend the peanut marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes", approved August 13, 1957 (7 U.S.C. 1359 note), is repealed.

With the following committee amendment:

Page 1, line 7, strike the word "repealed" and insert "amended by striking the word 'and' and inserting after the figure '1959' the words '1960 and 1961'".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend the Agricultural Adjustment Act of 1938 to extend for 2 years the definition of "peanuts" which is now in effect."

A motion to reconsider was laid on the table.

AMENDING ACT OF AUGUST 4, 1955, (PUBLIC LAW 237, 84TH CONGRESS)

The Clerk called the bill (H.R. 4697) to amend the Act of August 4, 1955 (Public Law 237, 84th Cong.) to provide for conveyance of certain interests in the lands covered by such act.

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent for the present consideration of the Senate bill (S. 1110) to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to direct the Secretary of Agriculture to release on behalf of the United States conditions in two deeds conveying certain submarginal lands to Clemson Agricultural College of South Carolina so as to permit such college, subject to certain conditions, to sell, lease, or otherwise dispose of such lands", approved August 4, 1955 (Public Law 237, Eighty-fourth Congress; 69 Stat. 499), is amended by adding at the end thereof the following:

"Sec. 3. (a) Upon application and subject to subsection (b) of this section, all the undivided mineral interests of the United States in any parcel or tract of land released pursuant to this Act from the said conditions as to such lands may be conveyed to the Clemson Agricultural College of South Carolina by the Secretary of the Interior upon the payment of an amount equal to the fair market value of such interests as determined by appraisal or otherwise.

"(b) This section shall not apply to the mineral interests of the United States in the seven thousand three hundred eighty and one-half acres of land taken by eminent domain in Civil Action 2446 in the United States District Court for the Western District of South Carolina."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AMENDING FEDERAL FARM LOAN ACT

The Clerk called the bill (H.R. 6353) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MURRAY. Mr. Speaker, reserving the right to object, I have an amendment to this bill. I have discussed it with the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. I do not think there is any objection to the amendment on his part. The amendment has been gone through very fully with the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. COOLEY. Mr. Speaker, I have discussed the proposed amendment with the gentleman from Tennessee. While I have no right to accept the amendment, I have agreed to accept it for the purpose of taking it to conference at least. So I have no objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

7740 will go a long way toward alleviating some of the present difficulties he is experiencing. The bill deserves the support of every Member of the House.

Mr. HEMPHILL. Mr. Speaker, the Committee on Agriculture is to be congratulated for promptly reporting out H.R. 7740, which allows unused cotton allotments to be transferred to other farms, first, within each county and then within the State. Allotted cotton acreage not used within the State subsequently would become available for distribution in other States.

Cotton is a great commodity, and we who live in the original cotton country have seen the Government program disparage the growth of cotton rather than encourage it. Since allotments could not be transferred, we have had great difficulty in justifying an investment to grow a crop which had no great potential for farm income. This bill changes that, and I am delighted.

Many of my farmers have spoken to me about this legislation, and I hope it will pass when the vote is taken on Wednesday. I understand this is approved by the Department of Agriculture.

It is my hope this bill, if enacted into law, will relieve some of the surplus supply, since it will no longer demand that 90-percent of the farm allotment be planted each year in order to protect future allotments.

I hope South Carolina will keep its full cotton acreage history without full planting of each farm allotment each year.

Finally, it gives the farmer the select right to trade off his allotment and use it for some purpose other than his own. He can help his neighbor, he can help his country, and he can help his community.

I urge the passage of H.R. 7740.

Mr. ELLIOTT. Mr. Speaker, for many years I have been interested in legislation which will bring out economic justice for the cotton farmers of our Nation, my State of Alabama, and the Seventh Congressional District of Alabama, which I have the honor to represent. The Seventh Congressional District has, basically, a rural economy. We have around 26,000 farm families, whose farms will average approximately 50 acres. However, the number of farmers in our district has been decreasing in recent years. In many cases, I think, our farmers have left the land because their cotton acreage has been reduced to such a level that planting it is not economically feasible. A real economic squeeze has enveloped our small farmers. The economic distress of our people in the Seventh District has been further accentuated by the closing of many of our coal mines; therefore, in my opinion, something must be done to preserve for our farmers the opportunity to make an adequate living.

Early in this session of Congress I introduced two bills which, in my opinion, would help alleviate the problem of the decreasing cotton allotments in my district. One bill provided for the lease and transfer of cotton allotments; the other provided for a 1-year carryover of cotton farm acreage allotments when

planting had been prevented by bad weather conditions.

H.R. 7400, which is now before us, in effect, embodies the concepts of both of the bills which I introduced. I, therefore, urge approval of this bill. This bill provides a reasonable mechanism through which a farm, a county, and a State may retain its full cotton acreage history without full planting of each farm allotment each year.

As you know, under the present law, the basic allotments for counties and States are based on the cotton history for the previous 5 years. As a result, if a farmer does not plant his allotted acreage, the amount not planted will be reflected in a reduction of the acreage history for his county and his State. During the past few years, there have been many farmers who have chosen not to plant their full allotment, or none of their allotment. This underplanting has caused our State and district to lose part of its cotton acreage. Last year alone our Seventh Congressional District's acreage allotment was reduced by almost 4,000 acres.

This legislation now before us would preserve acreage history equal to the farm allotment of an individual farm, if during the current year or during either of the two previous years the acreage planted in cotton on the farm, or regarded as planted according to established regulations, was the equivalent of 75 percent or more of the farm's allotment.

Furthermore, it provides for the transfer of unused cotton acreage allotments to other farmers, first within the county, and then if still unused, to another farmer within the State. Thus, the acreage allotment history for a county may be fully maintained over a period of years even though the full allotment is not being used in any one year. This, I would hope, would result in a county retaining virtually its same allotment year after year. To put it simply, as I see it, this bill will have the effect of requiring a farmer to plant his cotton acreage, voluntarily release it to another farmer within his county, or gradually forfeit his allotment to other farmers who wish to use it.

Early this year I had a letter from the Honorable John Patterson, Governor of Alabama, regarding the problem of leasing or transferring acreage allotments. His letter stated, in part: "Farm leaders from all over Alabama are concerned about the wholesale abandonment of cotton allotments due to the situation on many of our farms where small allotments, coupled with low prices, have rendered cotton production unprofitable. A survey conducted in each of Alabama's 67 counties indicates that unless flexibility in acreage allotments is effected for 1959, that Alabama will stand to lose the creation of new wealth on nearly 100,000 acres of good cotton land. Even at present prices and yields (this bill) has been estimated to prevent the loss of over \$15 million worth of new wealth for Alabama in 1960 alone. Consequently, this cotton measure could well be one of the most important measures to come

before the Congress in 1959 so far as the economy of the State of Alabama is concerned."

I am happy to note, Mr. Speaker, that provisions of this bill relating to cotton allotments and acreage history were arrived at through a conference with representatives of our cotton producers and officials of the U.S. Department of Agriculture. This is the kind of cooperation we need if we are to arrive at adequate solutions to our farm problems. There is a great deal of sentiment in favor of this bill. It has been supported by communications from every part of the Nation's Cotton Belt, and during the course of the hearings on this legislation not one single witness appeared in opposition to it. I expressed to the Agriculture Committee, during the course of the hearings on this bill, my approval of its purpose. I reaffirm that support now and urge the passage of H.R. 7740.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and on a division (demanded by Mr. HAGEN) there were—ayes 58, noes 31.

Mr. COOLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Under the unanimous consent agreement heretofore made, that vote will be passed over until Wednesday.

TO ACQUIRE AND TRANSFER CERTAIN REAL PROPERTY TO THE COUNTY OF SOLANO, CALIF.

Mr. DURHAM. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 697) to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 6, line 4, strike out "8.26" and insert "78.26."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DURHAM]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

STATE PARTICIPATION IN EMERGENCY FEED, SEED, AND ROUGHAGE PROGRAM

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6861) to provide for a specific contribution by State governments to the cost of feed or seed furnished to farmers, ranchers, or stockmen in disaster areas, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, notwithstanding any other provision of law, no feed for livestock or seed for planting shall be furnished to farmers, ranchers, or stockmen pursuant to Public Law 875, Eighty-first Congress (42 U.S.C. 1955 and the following); Public Law 115, Eighty-third Congress, first session; Public 357, Eighty-third Congress, second session; Public Law 480, Eighty-third Congress, second session; or pursuant to any other law as a disaster relief measure, unless, in addition to such administrative costs as may be assumed by the State, the State in which such feed or seed is furnished agrees to contribute 25 per centum to that part of the cost, including transportation, of such feed, or seed which is not paid for by the recipients thereof: Provided, however, That the effective date of the foregoing percentage of cost provision shall be three years after the enactment of this Act: And provided further, That feed for livestock deprived of their normal feed sources by extreme emergency conditions may be furnished temporarily by the Secretary without State participation in the cost of such feed.

The SPEAKER. Is a second demanded? [After a pause.] If not, the Chair will put the question.

The question is on the motion to suspend the rules and pass the bill, as amended.

The question was taken, and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

(Mr. HOEVEN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HOEVEN. Mr. Speaker, H.R. 6861 is sound and needed legislation. It requires that States participate in the cost and the administration of Federal feed, seed and roughage assistance programs. It has the approval of the Department of Agriculture and has been reported almost unanimously by the Committee on Agriculture.

I would, Mr. Speaker, like to review the background and the reasons for this legislation.

The emergency feed program began in 1953 in an effort to deal with an extremely serious drought situation. Some southwestern areas at that time were entering their fourth year of critical drought conditions. The growing shortage of feed and water for livestock caused many farm and ranch families extreme difficulties in maintaining their foundation herds of livestock. In those areas where extreme drought and other major natural disaster conditions have existed, the primary objective of this program has been to give the necessary assistance promptly and efficiently to distressed farmers and ranchers.

The program has been operated on the local level through the Agricultural Stabilization and Conservation Committees. The abuses have been relatively slight and the Department has taken action to recover some \$4½ million from feed dealers, farmers and ranchers who have misused the program.

Up to the present time the Federal Government has assumed the entire cost and administration of the program.

Last year both the House and the Senate passed bills to require State participation in this program, but these bills died in the closing days of the 85th Congress before conferees were appointed. Last year the Senate bill provided for State participation from 25 to 50 percent, while the House bill allowed a 10-percent contribution.

I introduced H.R. 6861 first because I strongly feel that the Government closest to the people is the best government and second, because this bill will reduce the cost of the Federal agricultural program.

In addition, Mr. Speaker, the bill provides a 3-year period for State legislatures to make whatever statutory or constitutional changes which may be necessary in order to participate in the program. The bill leaves open the door for special aid in case an extreme emergency such as a flood or a tornado strikes a particular State. In such a case, no State participation in the cost of the feed, seed or roughage would be required. I would also like to point out that this legislation is in accord with the Governors' conference and the President's policy of establishing joint Federal and State responsibility and cooperation in the administration of the affairs of government.

This bill is by no means a precedent. There are many agricultural programs which operate on this principle. A few are as follows:

First. Payments in State departments of agriculture, bureaus of markets, and similar State agencies under section 204(b) of the Agricultural Marketing Act of 1946 for marketing service activities.

Second. National school lunch program: Contributions by State and local interests of \$3.50 to each \$1 of Federal funds are required by the School Lunch Act of 1946. Payments for meals by children are included in the contributions by the State or local interests.

Third. Payments to State experiment stations: The Hatch Act, as amended, provides that any amount allotted to any State in excess of \$90,000 shall be matched by the State out of its own funds for research. Payments are also made to States on a matching basis for marketing research under the Agricultural Marketing Act of 1946.

Fourth. Payments to State extension services: The Smith-Lever Act, as amended, provides that the major portion of the funds appropriated for grants for the cooperative extension program to be matched by the States. Marketing educational work is also conducted under the Agricultural Marketing Act of 1946 on a matching basis.

Fifth. State and private forestry activities: The U.S. Forest Service makes payments to State forestry agencies for forest fire protection, reforestation, and good management of woodlands which must be matched by the cooperating States.

In conclusion, Mr. Speaker, this legislation follows an established and successful principle of government and as such should be enacted.

INCREASED AUTHORIZATION FOR THE 1960 AND 1961 SCHOOL MILK PROGRAM

Mr. COOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1289) to increase and extend the special milk program for children, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of Public Law 85-478 (172 Stat. 276), is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for the fiscal year beginning July 1, 1959, not to exceed \$81,000,000, and for the fiscal year beginning July 1, 1960, not to exceed \$84,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

The SPEAKER. Is a second demanded?

Mr. HOEVEN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. JOHNSON] such time as he may desire to explain the bill. The gentleman from Wisconsin is chairman of the dairy subcommittee of the House Committee on Agriculture who dealt with this problem.

Mr. JOHNSON of Wisconsin. Mr. Speaker, the Dairy Subcommittee held extended hearings on this matter. The testimony before the committee showed that the \$75 million which is now appropriated for the special school milk program would not be enough. It was necessary to raise the appropriation for the year 1959, which was done by separate legislation. It was also necessary to raise the \$75 million for the fiscal year 1960 and 1961. The committee amended S. 1289 to provide \$81 million for fiscal year 1960, and \$84 million for the fiscal year 1961. This was done unanimously by the Dairy Subcommittee, and this action was agreed to unanimously by the full committee. All the bill does is provide \$81 million for fiscal 1960 and \$84 million for fiscal 1961 from Commodity Credit Corporation funds.

(Mr. JOHNSON of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I thank my colleague for yielding to me.

Mr. Speaker, I would like to ask a direct question, if I may. I was the lone Member of the House last year to oppose the school milk program. I tried to state in the RECORD at that time why I did. I would like to ask the gentleman, the chairman of the subcommittee, a question. Is the primary purpose of this bill

the distribution of surplus stocks or to provide food for our children?

Mr. JOHNSON of Wisconsin. We, on the committee, feel that it serves two purposes. It disposes of surplus milk which, if it were not made available to the children, would have to be bought by the Commodity Credit Corporation in the form of butter, cheese, and dried milk. At the same time this helps the health of the children who are in the program by having milk available for them.

Mr. ALGER. I want to compliment the gentleman for making such a clear statement. I was puzzled last year because in the bill last year and in the report, missing this year, there was contained the statement that the primary purpose of the program was to improve nutrition for schoolchildren, and earlier I had questioned the gentleman from North Carolina [Mr. COOLEY] as to whether the primary purpose was not the distribution of surplus stocks of food, I never really did get an exact answer.

Mr. JOHNSON of Wisconsin. May I say this to the gentleman from Texas. When the law was first enacted, it had for its purpose disposing of surplus milk. But, the way the program has developed and is developing all over the country, it is very much a health measure as well as a way of using up our surplus. The testimony before our subcommittee showed the amount of butter, cheese, and dried milk that would accumulate if all this milk were not used in the school milk program.

Mr. ALGER. There is no question then that this does dispose of surplus products. Of course, the thing that puzzles me and concerns me, Mr. Speaker, is the fact, of course, we could very well be building up surpluses just so that we could later dispose of them to the schoolchildren through the milk program as a health program thereby making a very fine program for the dairy folks. I am not opposed to the dairy people doing good business and I am not opposed to schoolchildren drinking milk. But, I would like to cite you a parallel example to show you why I, as one Member, am concerned. Let us say, for example, that the manufacturers of children's clothing were having a tough year and that they got together and the Federal Government agreed that we would subsidize the clothing manufacturers for schoolchildren and that Government would pick up the cost beyond a certain amount as a minimum fee. Under those circumstances, very obviously, the children get clothing. The taxpayers would pick up the difference as the taxpayers now pay the difference for the milk. Children need clothing, of course. I am simply calling to your attention in this case that the Federal Government is actually becoming a provider of clothing, as it has become a provider of milk. I am not opposed to children drinking milk, but I think this House ought to clearly see that we are no longer disposing of surplus milk but we are actually perpetuating a program of providing food for our schoolchildren.

I do not think that is the role of the Federal Government.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. ALGER. I yield.

Mr. COOLEY. Could not the gentleman make exactly the same argument against the school lunch program? Certainly the gentleman is not opposed to that.

Mr. ALGER. I would certainly make the same argument there against the school lunch program. I do not believe it is the role of the Federal Government to feed and clothe our people.

Mr. COOLEY. I say, notwithstanding the gentleman's argument, he is in favor of the school lunch program?

Mr. ALGER. For the same reason I am not in favor of the school lunch program. I thought I made that clear.

Now, Mr. Speaker, under privilege of extending my remarks, I would like to append my remarks of last year. I still do not believe it is the role of the Federal Government to feed and clothe the people.

Mr. ALGER. Mr. Speaker, I take this time solely because I was the lone dissenting vote on the preceding vote on the school lunch program. I want to make it clear to my colleagues that I recognize the need to dispose of these surpluses, and I am wholeheartedly for schoolchildren drinking milk, but I am also wholeheartedly opposed to Uncle Sam being the giveaway middleman for American food, clothing, or other necessities of life. This is not the role of Federal Government.

By this vote, too, I am protesting the confusion of Congress' intent. Originally this school milk program was to dispose of surpluses. Now it is contended in the bill itself "An act to continue the special milk program for children in the interest of improved nutrition in fostering the consumption of fluid milk in the schools. This sounds like a business ad for dairy products. I, too, believe in children drinking milk. I do not believe it to be the role of Federal Government to be the distributing agent for milk. Our Constitution does not so empower the Federal Government to use the taxpayers' money. Food surpluses were a wartime emergency, the result of bonuses offered farmers to produce. They overproduced, more than meeting the challenge, and so we had to dispose of the surpluses. Earlier I asked the chairman of the Agriculture Committee, "Is the primary purpose of this legislation to dispose of the surplus stocks or provide food for our children." His answer, "The primary purpose was to dispose of surplus material." This is a clear statement contradicting the bill and committee report which says "the primary purpose of the program is improved nutrition for schoolchildren." Then the chairman went on to confuse his answer by saying, "The real purpose of course, has been accomplished, to improve the diet of many thousands of schoolchildren."

SCHOOL MILK BILL

Mr. Speaker, is there anyone who does not want to see underprivileged children enjoy an adequate and balanced diet? Oh come on now. Certainly all of us do, just as we want to see every child adequately clothed and suitably sheltered. Believe me, this has little or nothing to do with the so-called Federal school milk program.

If a school district participates—a wealthy or a poor one—they can sell

milk to all youngsters—needy or not—for considerably less than it costs, and the Federal taxpayer will make up the difference.

The program is pushed in Congress primarily by those interested in boosting milk consumption and keeping the price up. Now, I don't deny that this aim may be good—but I don't believe it is a function of the Federal Government, for which you ought to be compelled to pay ever higher taxes—in effect subsidizing the milk industry. To judge how improper the idea is let us draw a less emotional analogy. Children need clothing too. Suppose a bunch of clothing manufacturers—having trouble moving as much of their merchandise as they would like and not wanting to cut the price, should get together and suggest that we offer clothes through the school system at half price, with the taxpayer making up the difference. Such a setup would undoubtedly move a lot of clothing, and help keep the price up on all clothing sold anywhere. Why wouldn't it? It would be cheaper to get the youngsters new clothes this way than to repair torn or damaged trousers, and all at the taxpayers expense. Incidentally, such a program would benefit a few really needy schoolchildren who might not otherwise be adequately clothed.

But let us not kid one another—the people who would benefit most and who would be pushing to extend this program into even the richest school districts in the land, would be the clothing manufacturers.

(Mr. ALGER asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the special school milk program has been a successful and popular program since its inception in the 83d Congress.

In fiscal 1959 the Department of Agriculture operated the program in over 80,000 schools, child-care institutions, and summer camps. Nearly 2.2 billion half pints of healthful, nutritious milk were consumed by American schoolchildren during the same period. Last November in Iowa alone, some 2,166 institutions served over 4.4 million half pints of milk to Iowa schoolchildren. In order to keep this valuable program operating on a desirable level, the Committee on Agriculture has increased the authorization for this program to \$81 million for fiscal 1960 and to \$84 million for fiscal 1961. The bill is merely a recognition of the fact of our increased school population which is estimated to go up to 43.7 million children in the 1960-61 school year, or some 3 million more than this year.

It should be clear, Mr. Speaker, that this legislation does in no way require the Department to expend all the funds provided in S. 1289. The bill simply authorizes these increased expenditures in order to keep pace with our expanding school population and to continue the program on its present level.

Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. LAIRD].

(Mr. LAIRD asked and was given permission to revise and extend his remarks.)

Mr. LAIRD. Mr. Speaker, I wish to commend the Committee on Agriculture for reporting out this bill. In the 83d Congress I was one of the original co-sponsors of this program with our late colleague, the gentleman from Minnesota, Mr. Andresen.

The committee bill increases for the 1960 and 1961 fiscal years by \$6 million and \$9 million, respectively, the maximum amount of money which may be used by the Secretary of Agriculture for the special school milk program authorized under section 201(c) of the Agricultural Act of 1949 and Public Law 85-478. Public Law 85-478 authorized \$75 million for each of the fiscal years 1959, 1960, and 1961.

Under this highly successful and worthwhile program milk service is now available to about three out of every four children in school. That is a fine record. In my opinion, as long as the Department of Agriculture needs to buy surplus dairy products, we should continue full efforts to move milk in fluid form to our young children. I am happy to give my support to the committee amendment. This is good legislation, and it is important that the legislation be passed now and sent to the White House, because only in this way can an adequate program be arranged for the next 2 years.

I also want to commend the Committee on Agriculture for their prompt action on this legislation.

Mr. HOEVEN. Mr. Speaker, I yield one minute to the gentleman from Maine [Mr. McINTIRE].

(Mr. McINTIRE asked and was given permission to revise and extend his remarks.)

Mr. McINTIRE. Mr. Speaker, it has been a pleasure to serve on the subcommittee of the House Committee on Agriculture dealing with dairy problems and I want to be recorded in favor of this legislation to provide adequate support for this constructive program.

Mr. HOEVEN. Mr. Speaker, I yield one minute to the gentleman from Minnesota [Mr. ANDERSEN].

(Mr. ANDERSEN of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. ANDERSEN of Minnesota. Mr. Speaker, I would like to compliment the Committee on Agriculture for bringing out this additional authorization. To me this is one of the most worthwhile programs we have ever undertaken, not only to agriculture but also to the schoolchildren of America. The members of the Committee on Agriculture are to be complimented for bringing it out.

Among the bills the committee had under consideration was my own, H.R. 5487, introduced March 10, 1959, and I am especially pleased to note that the Senate bill has been amended to provide a substantial increase in the authorization for future years. We all read stories about the "population explosion" now taking place, and I know of no better program for the health of our children than this special milk program.

Mr. COOLEY. Mr. Speaker, I yield 1 minute to the gentleman from Iowa [Mr. SMITH].

(Mr. SMITH of Iowa asked and was given permission to revise and extend his remarks.)

[Mr. SMITH of Iowa addressed the House. His remarks will appear hereafter in the Appendix.]

Mr. HOEVEN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Speaker, I rise in support of the school milk extension bill, S. 1289. This legislation is extremely important because of the number of school children who receive this milk. There are 74,128 schools which participate in the program which distributed 217,682 half-pints of milk per month.

The program's national significance is obvious, when it is noted that in fiscal year 1958 the school milk program amounted to 1,030,774,500 pounds and in fiscal year 1959, 1,162,100,000 pounds.

The importance of the program is apparent, Mr. Speaker. Because of it, schoolchildren all over the country are able to drink nature's most perfect food.

It is true that this authorization is in excess of what is needed next year, just as this year \$78 million was authorized but \$75 million was used.

There are two important reasons for this.

One stems from simple arithmetic. The fast-growing school population is resulting in many more children who can benefit from enriching, wholesome milk. We must provide enough authorization to meet the growing demand.

Secondly—the needs of some States are greater than others. A State which has met its demands and which has a surplus in its allotment, cannot turn over its excess to a sister State which, because of uncontrollable circumstances, has not enough for its program. We must provide enough authorization to see that the assurances given at the beginning of the school year are met.

In this way, the authorization provides a cushion necessary for full utilization of the program.

In summary, Mr. Speaker, the value of the program—and the investment it makes in a priceless resource, the health of our children—makes it well worth the cost. I urge the enactment by this Congress of the school milk extension.

(Mr. QUIE asked and was given permission to revise and extend his remarks.)

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

HADLEY TERCENTENNIAL, 1659-1959

(Mr. BOLAND asked and was given permission to extend his remarks at this point in the Record.)

Mr. BOLAND. Mr. Speaker, Hadley, Mass., is a typical New England town, rich in tradition and history. Picturesque

in setting, it is on the banks of the Connecticut River, at the foothills of the northern end of the Appalachian range and the base of Mount Holyoke. Hadley is a pleasant, comfortable place to live in. Majestic elms and maples tree-line its main Russell Street. The greenery of its skyline is broken only by the spires of its churches. The very old and the ultra new homes of its people compliment each other. Acres of rich, fertile soil produce a host of products with emphasis on the finest binder tobacco, onions, potatoes, and magnificent roses. It is in this setting that the solid citizens of Hadley live the good life. It is no wonder that they are proud of their town and happy in their environment.

HADLEY IS ONE OF OLDEST NEW ENGLAND TOWNS

Mr. Speaker, this year marks the 300th anniversary of Hadley's birth. It is one of the oldest towns in New England and the town fathers, officials and citizens have combined to fittingly celebrate its tercentennial, 1659-1959. July 31, August 1 and 2 were reserved to highlight its history by exhibits, tours, reunions, tercentenary ball and culminating in a remarkable parade. I joined in and witnessed some of these events and felt the joy of all who participated.

BOLAND COMMENDS TOWNSPEOPLE AND TERCENTENARY COMMITTEES

Mr. Speaker, I want to take this opportunity to congratulate the 3,000 residents of Hadley for the true American spirit they have displayed in observing their town's 300th birthday. The following members of the executive committee are to be commended for the wonderful arrangements they made: Edwin M. Podolak, chairman; John T. Martula, co-chairman; Stanley C. Jekanoski, secretary; Roger Johnson, John S. Kelley, Jr., Anthony J. Blyda, William Chmura, John E. Devine, Henry E. Drozdal, Ernest W. Hibbard, Edward J. Matuszko, Owen A. McNiff, Sr., John Mish, Jr., Frank C. Reynolds, R. Donald Shipman, Edward W. Tudryn, and Edward C. Wanczyk.

Also, Mr. Speaker, I include with my remarks a most interesting digest on the history of the town of Hadley that appeared in the Hadley tercentenary program. It was prepared by the historical committee from contributions made by the following: Mrs. Doheny H. Sessions, Mrs. Fern Nutter, James Kentfield, Miss Florence Burke, Rev. Aloysius A. Budnik, Edward Banack, Mrs. Dorothy Comins Page, Robert Piziak, Roger Johnson, William Chmura, Frank C. Reynolds, Ben Drabeck, Mrs. Esther Barstow, Stanley Kulas, Mrs. John T. Martula, Richard and Susan Martula, editors.

HADLEY LANDS ONCE OCCUPIED BY NIPMUCK INDIANS

When word of the newly arrived settlers at Plymouth reached the valley, Nipmuck Indians, living between Worcester and the Berkshire Hills, became aware of the fact that these people and their comparatively efficient weapons would help protect them from the raids of the greatly feared warriors—the Mohawk. The number of arrowheads—made of the type of flint found west of the Hudson River—which have been dis-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For Department
Staff Only)

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HIGHLIGHTS: Senate agreed to House amendments to bills to: Preserve acreage allotment histories and transfer cotton allotments; extend special milk program. Senate confirmed nomination of Frederick Mueller to be Secretary of Commerce. Sen. Humphrey introduced and discussed farm bill. Sen. Williams, N. J., and others introduced and discussed bill to require registration of crew leaders in farm labor.

HOUSE

1. WATERSHEDS. The Agriculture Committee approved the following watershed work plans: Boggs Creek, Ind.; Gilbert Run, Md.; Marsh Run, Ohio; Martinez Creek, Texas. p. 13981
2. MONOPOLIES. Received from the Justice Department a proposed bill "to amend Section 8 of the Clayton Act relating to interlocking directorates"; to Judiciary Committee. p. 13994
3. ATOMIC ENERGY APPROPRIATION BILL FOR 1960. Both Houses agreed to the conference report on this bill, H. R. 3283 (pp. 13982-4, 13923-20). (See Digest 132 for a list of items of interest to this Department.) This bill will now be sent to the President.

4. TRANSPORTATION. The Merchant Marine and Fisheries Committee reported with amendment H. R. 5068, to amend the Shipping Act of 1916 to provide for licensing independent freight forwarders (H. Rept. 798). p. 13994
5. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 8241, to amend the Civil Service Retirement Act to set terms, conditions, and computation of annuities for retired Members of Congress, who are reemployed by the Federal Government. p. D725
- The Post Office and Civil Service Committee announced the appointment of subcommittees for consideration of the following bills: S. 1848 and H. R. 8479, to increase the salaries of Administrative Assistant Secretaries (including this Department) to \$19,000 per annum, and to authorize the Secretary of Commerce to fix the annual rates of basic compensation of certain officers in the Patent Office; H. R. 8542, 8543, to authorize the use of certified mail for the transmission or service of matter required by certain Federal laws to be transmitted or served by registered mail; and S. 1495, to consolidate and revise the laws relating to the employment of aliens in the several States and D. C. p. D725
6. COOPERATIVES. The "Daily Digest" states that the Ways and Means Committee considered a Treasury proposal to provide that cooperatives would be required either to pay dividends in cash or by qualified notes, in which case the notes would be redeemable in 3 years and would bear 4% interest, and that hearings are planned on this proposal in January 1960. p. D726
7. SCIENCE; RESEARCH. The "Daily Digest" states that the Science and Astronautics Committee tabled H. R. 7981, to provide for an immediate study of the need for, the proper composition of, and the most efficient means of obtaining a continuous up-to-date national record of scientific and technical personnel throughout the United States. p. D725-6
8. ADJOURNED until Mon., Aug. 10. p. 13994

SENATE

9. ACREAGE ALLOTMENTS; COTTON. Concurred in the House amendments to S. 1455, to provide for the automatic preservation of farm acreage allotments and for the transfer of cotton acreage allotments. As agreed to the bill provided that, beginning with the 1960 crop, the entire current farm allotment shall be regarded as planted if during the current year or either one of the 2 preceding years the acreage actually planted or devoted to the commodity on the farm (or regarded as planted because of participation in the soil bank) was 75 percent or more of the farm allotment; authorizes the transfer of unused cotton acreage allotments to other farms, first within each county, and then within the State; and exempts from the provisions of the bill acreage allotments on federally owned land. This bill will now be sent to the President. pp. 13948-50
10. MILK. Concurred in the House amendment to S. 1289, to increase by \$6 million (to \$81,000,000), for the fiscal year 1960 and by \$9 million (to \$84,000,000) for the fiscal year 1961 the maximum amount of CCC funds which may be used for the special milk program. This bill will now be sent to the President. pp. 13960-1
11. FARM CREDIT. Concurred in the House amendment to S. 1512, to amend the Federal Farm Loan Act so as to transfer responsibility for making appraisals from FCA to the Federal land banks. This bill will now be sent to the President. pp. 13920-8, 13947-8

the other bills to which I referred—the 15 bills. Certainly new spending programs of \$187 billion in the next 5 years would require more taxes. At this time I am not discussing either the merits or the demerits of those bills; that is not the issue. We are discussing the cost, and I do say that if the 18 bills—the 15 spending bills and the 3 tax-reducing bills—which I selected and referred to last Monday were passed by the Congress, they would, over the next 5 years, increase the cost of running the Government by \$187 billion and would reduce our revenue at the same time by \$10 billion annually. My statement was based on cost figures submitted by the Director of the Bureau of the Budget; and I certainly think that even the Senator from Wisconsin, with all his confidence in his own ability, would admit that the Director of the Bureau of the Budget is just as well qualified as he to arrive at the cost figures.

I repeat, the figures submitted by the Director of the Bureau of the Budget show that those 15 spending bills would cost the American people \$187 billion during the next 5 years, and that an additional \$40 billion would have to be raised by means of taxes.

If the three bills calling for tax reductions, to which I referred, were enacted they would reduce the revenue—and again these figures are on the basis of estimates made by the Treasury Department and are concurred in by the Director of the Bureau of the Budget—during the next 5 years by \$50 billion, or by \$10 billion a year.

Although each of those bills may have merit, yet, as I have stated many times, no proposal can be considered by itself, entirely apart from other measures or apart from our ability to pay. Remember that for 24 of the past 30 years we have lived beyond our income.

We have reached the point where most of the American people realize we are living beyond our income. We have piled up a debt today which will have to be paid by future generations. That is why I made a statement and put in the RECORD the cost of some of these many spending programs. I think it is time all of us in the Congress and all the

people back home realize that we cannot continue to drain the Federal Treasury of money which we do not have and which we are even having difficulty in borrowing.

This deficit financing is the key to inflation. There may be some here who feel that there is no danger in an unbalanced budget. I happen to be one who feels it is essential that our Government live within its income, particular at a time when we have the highest level of prosperity we have ever had in this country. If we are not going to live within our income at a time when we have the highest level of prosperity, I ask, When we are going to be able to do so?

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. I am not going to discuss the merits of the measures referred to. There are bills included that I would not support, that should not pass. What I want to say is that the speech of the Senator was largely based on the unwillingness of Senators to call for taxes to pay for the spending programs they are proposing. I would say some of the measures the Senator listed are fiscally responsible, and I have proven they are. They may be right or they may be wrong on their merits, but I do not think anyone should be accused of being irresponsible, fiscally or otherwise, or of not being willing to call for taxes to pay for the services they offer. Obviously the entire context of the Senator's remarks was to charge exactly this.

I think any reading of the speech of the Senator from Delaware last Monday will indicate that the whole burden of it was that all these measures cost the U.S. Treasury money, and will contribute to an unbalanced budget and are inflationary. I agree that some may do so, some may be inflationary; but I think there are also some measures, and I am in favor of some of them, are self-financing, provide for revenues as well as services, and simply do not fit into that group which the Senator characterizes as inflationary. That is my whole point. Incidentally of all of these 15 bills I was the principle author of

none of them. I cosponsored only one. That was the Kennedy unemployment compensation bill which the Senator from Massachusetts [Mr. KENNEDY] assured the Senate would cost nothing under most circumstances. I have gone to considerable pains to explain exactly why this bill and other bills would not be costly. I challenge the Senator from Delaware to show that the Kennedy bill—the only one of these bills of which I am cosponsor—would under any reasonable likely circumstances cost \$1 billion in 5 years. Let us see the evidence.

Mr. WILLIAMS of Delaware. I cannot guide the conscience of the Senator from Wisconsin and I cannot stop him from feeling as he does—guilty—when he reads the cost estimates of some of his spending proposals. However, at no point in my speech will anyone find the word "dishonest" or the words "fiscal responsibility" as charges made against sponsors of bills. The Senator from Wisconsin is the only one using such reference to the authors of the bills. I do not think the Senator will find I have brought any charges against the authors of bills. I was merely speaking of the fact that we, as a Government, cannot continuously go along the road of deficit spending.

Whether it is the conscience of the Senator or his imagination as to what he thinks may be between the lines I do not know.

Mr. President, I placed the figures in the RECORD the other day as representing the cost of 15 bills over a 5-year period. Since they have been questioned as to accuracy I shall place that same report in the RECORD here again today, followed by the letter from the Director of the Budget dated April 2, 1959, in which these figures are confirmed.

At this point I ask unanimous consent to have incorporated in the RECORD as a part of my remarks this report on the 15 bills followed by the letter of April 2, 1959, received from the Director of the Budget, in which every figure I used the other day in my remarks of last Monday is confirmed.

There being no objection, the report and letter were ordered to be printed in the RECORD, as follows:

Bill and description	Present status	Estimated cost over 5-year period as furnished by the Bureau of the Budget	Bill and description	Present status	Estimated cost over 5-year period as furnished by the Bureau of the Budget
		Millions			Millions
S. 2; H.R. 22: School Support Act.....	Reported in House June 8, Union Calendar.	\$15,000	S. 722: Area Redevelopment Act.....	Passed Senate Mar. 23, reported in House May 14, Union Calendar.	\$400
S. 1087: Student Aid Act.....	No action.....	966,000	H.R. 1301: Farm income.....	No action.....	36,500
H.R. 1031: Emergency program of grants for public works.....	do.....	2,500	S. 570: Authorize reimbursement to States for certain free and toll roads on the Interstate Highway System.....	do.....	2,200
H.R. 1030: Community facilities and public works.....	do.....	2,500	S. 805: Amend Federal Water Pollution Act; H.R. 3610.....	Passed House June 9.....	500
H.R. 77: Old-age pensions of \$75 per month for all over 65.....	do.....	66,000	S. 1056: To provide a program of national health insurance.....	No action.....	40,000
S. 791: Unemployment insurance grants.....	do.....	1,000	S. 863: Construction of classrooms to provide increased amounts for teachers salaries.....	Hearings on general subject have been held; pending before subcommittee.	3,600
H.R. 102: Pensions for World War I veterans.....	do.....	9,000			
H.R. 208: Federal employees health insurance.....	House holding hearings.....	1,200			
S. 2162: Same.....	Passed Senate July 16.....				
S. 884: Social Security Health Insurance.....	No action.....	6,100			
H.R. 4700.....	House holding hearings.....				
			Total.....		187,466

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C. April 2, 1959.

Hon. JOHN J. WILLIAMS,
U. S. Senate, Washington, D. C.

MY DEAR SENATOR WILLIAMS: This is in response to your letter of March 17, 1959, requesting an estimate of the 5-year cost of the following bills:

S. 722, Area Redevelopment Act: \$400 million.

H.R. 2357, Housing Act: \$1.623 billion over 4½ years (as reported by the House).

S. 2 and H.R. 22, School Support Act: \$15 to \$16.2 billion.

S. 1087, Student Aid Act: \$966 million.

H.R. 1031, emergency program of grants for public works: \$2.5 billion appropriation authorization.

H.R. 1030, community facilities and public works: \$2.5 billion public debt authorization.

H.R. 77, old-age pensions for all over 65: \$66 billion.

S. 791, unemployment reinsurance grants: \$1 to \$2 billion.

H.R. 102, pensions for World War I veterans: \$9 to \$10 billion.

H.R. 208, Federal employees health insurance: \$1.2 billion.

S. 881, social security health insurance: \$6.1 billion.

S. 1, airports grants (as passed by the House): \$297 million.

H.R. 1301, farm income: \$36.5 billion.

S. 1094, amend Bretton Woods Agreements Act: \$1.4 billion for 1959.

(NOTE.—S. 1094 provides new obligational authority totaling \$4.6 billion. One and four-tenths billion dollars for the International Monetary Fund will be paid out soon after passage of the bill. Three and two-tenths billion dollars involves a commitment to purchase additional shares of stock of the International Bank for reconstruction and development. This commitment is needed only as a guarantee for loans made by the Bank, and there is no reason to believe an expenditures of funds will be required, either in the next 5 years or beyond.)

S. 423, amend Highway Act to provide additional construction: \$90 million (1-year program).

S. 931, to amend TVA Act to provide for construction of power facilities by sale of revenue bonds.

(NOTE.—Method of financing other than through appropriation; therefore, would reduce cost by amount of private financing obtained.)

S. 570, authorize reimbursement to States for certain free and toll roads on the Interstate Highway System: \$2.2 billion.

(NOTE.—\$440 million available each year up to the total cost of the bill, \$4.4 billion. Not specifically authorized; subject to change; States may not request.)

S. 805, amend Federal Water Pollution Control Act (this bill is substituted for S. 605, listed in your letter on the assumption that the latter number is a typographical error): \$500 million.

S. 57, housing bill (as passed by Senate): \$939.97 million for 4½ years.

S. 879, provide financial assistance for construction of public community colleges: \$250 million.

S. 877, 4-year program of Federal assistance for school construction: \$2.2 billion.

S. 863, construction of classrooms to provide increased amounts for teachers' salaries: \$3.6 billion.

S. 1017, assist institutions of higher education to accelerate construction of academic and residential facilities: \$70 million.

S. 1056, provide a program of national health insurance: \$40 billion.

S. 14, Central Valley project; S. 44, Snake River Valley; S. 72, San Juan-Chama: See attached table.

The estimates cover a 5-year period, except in those instances where, as indicated, the life of the proposed legislation is for a lesser period of time. Forecasts 5 years in the fu-

ture are, of course, somewhat speculative, particularly so in circumstances where legislation has not been more fully considered than have some of these bills.

Sincerely yours,

ELMER B. STAATS,
Acting Director.

[In thousands of dollars]

Bill	Project	Estimated total cost	1st year	2d year	3d year	4th year	5th year
S. 14	Auburn unit, American River division, Central Valley project, California.....	138,705	2,000	4,275	12,981	21,305	25,000
S. 44	San Luis unit, Central Valley project, California.....	290,443	2,649	9,735	25,328	32,826	40,000
S. 72	Navajo irrigation project, New Mexico.....	125,800	2,000	8,500	10,400	11,400	15,000
S. 72	San Juan-Chama project, Colorado-New Mexico.....	85,955	1,000	10,000	20,000	20,000	15,000
S. 281	Burns Creek (Palisades reregulating reservoir), Upper Snake River Valley, Idaho.....	46,616	1,100	1,300	4,217	13,824	17,922

¹ \$500,000 appropriated by 85th Cong. Initiation of construction subject to authorization of project.

NOTE.—Above information from Interior public works programs (6-year program—Schedule B; Unauthorized Projects).

Mr. WILLIAMS of Delaware. Mr. President again I state that I stand by those figures. There is no \$85 billion error as suggested by the Senator from Wisconsin. There is not even an \$85 error in my figures. It may have been in the back of the minds of some of the sponsors of these bills to raise \$85 billion in new taxes to pay for some of the services; but if so, does not that still represent cost to the taxpayers? All that has been said is that of the \$187 billion projected cost they would later plan to raise taxes to pay for \$85 billion of the cost.

The only comment made by the Director of the Budget on any of these bills was the cost. I did not ask for a comment on the merits or demerits of the measure. I did not ask him whether the Bureau was for or against them. Some may have the endorsement of the administration. I may vote for some of them or against some of them. That is not the point. I merely put a price tag on them so that the American people may know what they cost when the merits of the bills are considered.

I say again, the price tag I put on these bills the other day was accurate according to figures furnished by the Director of the Budget.

Mr. PROXMIER subsequently said: The argument between the Senator from Delaware and myself is very simple. Both of us believe in economy in Government. Both of us recognize that an unbalanced budget in periods of peace and prosperity is inflationary and therefore wrong. My argument is that any fair-minded reading of the original speech of the Senator from Delaware last Monday, August 3, will show that the burden of his address was that bills totalling \$187 billion have been introduced and in the words of the Senator from Delaware authors of the bills had provided "none whatsoever" taxes to pay for them. My speech today shows the Senator from Delaware was wrong; and at least some of the estimates fantastically extravagant. The Senator from Delaware has provided not a scintilla of

evidence to support his position except the unexplained bald figures of a partisan Budget Bureau. What is more a number of the bills duplicated each other completely. For instance, there were four health insurance bills to add the total cost of each of these bills and imply that all might be enacted simply does not tell the truth. They will not be. There is no possibility they will be.

I have spoken out on this exactly because I feel so strongly on the importance of fiscal responsibility and a balanced budget. I honestly want to work as closely with the Senator from Delaware on this as I can. But I am determined to work for this purpose with all the honesty I can summon.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendments of the Senate numbered 1 and 2 to the joint resolution (H.J. Res. 354) for the relief of certain aliens, each with an amendment, in which it requested the concurrence of the Senate.

EXTENSION OF SPECIAL MILK PROGRAM FOR CHILDREN

Mr. HUMPHREY. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1289.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1289) to increase and extend the special milk program for children, which was, on page 1, line 6, strike out all after "for" down through and including "\$80,000,000," in line 7, and insert "the fiscal year beginning July 1, 1959, not to exceed \$81,000,000, and for the fiscal year beginning July 1, 1960, not to exceed \$84,000,000."

Mr. HUMPHREY. Mr. President, I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

ORDER OF PROCEDURE—ORDER FOR CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. BARTLETT and Mr. ALLOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. ALLOTT. Mr. President, I rise to a point of order. I believe I am next on the list of Senators I see present on the floor, with the exception of the Senator from Minnesota [Mr. HUMPHREY].

The PRESIDING OFFICER. The regular order governs. The Senator from Alaska has been recognized.

Mr. ALLOTT. Mr. President, I appeal from the ruling of the Chair.

Mr. HUMPHREY. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. KEATING. Mr. President, will the Senator yield for an inquiry?

Mr. BARTLETT. I yield.

Mr. KEATING. Will both Senators yield to me to make an inquiry?

Mr. ALLOTT. I do not have the floor.

Mr. BARTLETT. I will gladly yield.

Mr. KEATING. My inquiry is this: I was requested by the distinguished majority leader to note the absence of a quorum at the conclusion of my remarks, and it slipped my mind before the Senator from Wisconsin [Mr. PROXMIRE] was recognized. I want to carry out my obligations to the majority leader. I do not want to interfere with what is being said here, but I feel I am committed to note the absence of a quorum. May I do so?

Mr. BARTLETT. Mr. President, will the Senator yield so I may make a unanimous-consent request?

Mr. KEATING. I am making the inquiry on behalf of the majority leader.

Mr. BARTLETT. I am glad the Senator is.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. BARTLETT. I should like to put this unanimous-consent request: That the Senate proceed to consider bills on the calendar to which there is no objection, beginning with Order 581, Senate bill 2026, to establish an Advisory Commission on Intergovernmental Relations, to conclude with Order No. 604, House bill 4120, for the relief of Dr. Raymond A. Vonderlehr and certain other officers of the Public Health Service, but that the Senator from Colorado may have the floor before the call of the calendar begins.

Mr. ALLOTT. Mr. President, reserving the right to object—

Mr. HUMPHREY. Mr. President, I object.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. What is the pending business before the Senate?

The PRESIDING OFFICER. It is Senate bill 747, the Des Plaines public hunting and refuge area bill.

Mr. DIRKSEN. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. It is my understanding that bill was laid aside on yesterday. Is that correct?

The PRESIDING OFFICER. After the privileged matter was acted upon, that bill came before the Senate.

Mr. DIRKSEN. It automatically became the pending business after adjournment last night. Is that correct?

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. So presently Senate bill 747, the bill dealing with the Des Plaines area, is the pending business before the Senate. Is that correct?

The PRESIDING OFFICER. Yes.

Mr. DIRKSEN. Mr. President, it becomes necessary to lay that bill aside by unanimous consent, in order to consider the calendar.

The PRESIDING OFFICER. Or a motion may be made to take up another bill.

Mr. KEATING. Mr. President, pursuant to my obligations to the distinguished majority leader, I suggest the absence of a quorum.

The PRESIDING OFFICER. Has the Senator from Alaska yielded to the Senator from New York for that purpose?

Mr. BARTLETT. Mr. President, I move that the pending business be laid aside and that the calendar be called for the consideration of unobjected-to measures, commencing with Order No. 581 and ending with Order No. 604.

The PRESIDING OFFICER. The two requests cannot be embodied in the same motion.

What is the first request?

Mr. BARTLETT. Mr. President, I ask that the pending business be laid aside.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. BARTLETT. I ask unanimous consent that the Senate proceed to consider measures on the calendar to which there is no objection, beginning with Order No. 581 and ending with Order No. 604.

The PRESIDING OFFICER. Is there objection? Without objection—

Mr. ALLOTT. Mr. President, do I understand that the unanimous-consent proposal is to proceed with the call of the calendar?

The PRESIDING OFFICER. That is correct.

Mr. ALLOTT. Then, reserving the right to object, I should like to make an inquiry. The senior Senator from Minnesota [Mr. HUMPHREY] is on the list of speakers at the desk, and I know he is entitled to recognition before the Senator from Colorado. I should like to inquire how it occurred that the Senator from Alaska was recognized when both the Senator from Minnesota and the Senator from Colorado were seeking recognition.

The PRESIDING OFFICER. The list which is at the desk is certainly unoffi-

cial, and the Chair recognized the Senator from Alaska who was on his feet prior to the Senator from Minnesota.

Mr. ALLOTT. Reserving the right to object, I call the attention of the Chair to the fact that the Senator from Colorado was on his feet before the Senator from Delaware was recognized, that he was seeking recognition, that he had addressed the Chair prior to the time the Senator from Delaware was recognized.

I do not wish to come ahead of the Senator from Minnesota, but these lists are either going to be recognized in the Senate or they are going to be thrown out the door. We have agreed many times that we were going to proceed according to these lists.

The PRESIDING OFFICER. Prior to the appearance of the name of the Senator from Colorado on the list, the majority leader had indicated that the calendar call would be made following the remarks of the Senator from New York [Mr. KEATING].

Mr. ALLOTT. The rules provide that the Chair shall recognize the first Senator who addresses the Chair.

The PRESIDING OFFICER. I think that is a proper statement of the rules.

Mr. ALLOTT. This has been modified for the convenience of the Senate by the placing of a list before the Presiding Officer. I placed my name on that list after waiting for some 2 hours before I did so. I do not wish to prolong the discussion if the Senator from Minnesota wishes to have the calendar called, since he precedes me on the list, I shall not object.

Mr. HUMPHREY. It would be my desire that the calendar call should be undertaken, since it will expedite our business.

Mr. GORE. Mr. President—

The PRESIDING OFFICER. The Chair has recognized the Senator from Alaska. Does the Senator from Alaska yield to the Senator from Tennessee?

Mr. BARTLETT. I yield.

Mr. GORE. Mr. President, I did not ask the Senator to yield. I sought recognition.

The PRESIDING OFFICER. The Senator from Alaska has the floor, and has yielded to the Senator from Oklahoma.

TENNESSEE VALLEY AUTHORITY

Mr. GORE. Mr. President, earlier today the President signed into law a bill providing authority for the Tennessee Valley Authority to sell bonds to provide for the building of additional generating capacity for the TVA. This represents a great accomplishment. It is the result of a very long effort. It was a necessary action in order that the 5 million people who must depend upon the Tennessee Valley Authority, and who do depend upon the Tennessee Valley Authority as the source of their electrical energy, may grow in their economy as the people of other regions are growing.

I am grateful for the action of the Congress. I am grateful for the leadership and for the bipartisan support which has brought the bill to enactment.

I wish particularly to mention the senior Senator from Oklahoma [Mr. KERR], the senior Senator from New

Mexico [Mr. CHAVEZ], the senior Senator from South Dakota [Mr. CASE], the majority leader, the Senator from Texas [Mr. JOHNSON], the minority leader, the Senator from Illinois [Mr. DIRKSEN], and other Senators who have contributed time, interest, effort and understanding to the problems of the people of the Valley.

It is remarkable that in the final analysis the understandings and the agreements which culminated in the signature of the President to this bill enacting it into law, on the part of the Senator from Oklahoma, a Democrat, the Senator from South Dakota, a Republican, the majority leader, a Democratic Senator from the State of Texas, the minority leader, a Republican Senator from the State of Illinois and the Speaker of the House, Mr. RAYBURN, now from Texas but a native of Tennessee, played most prominent parts. This is what makes America great. This is what has brought about development of our natural resources in one important instance after another.

Unless Members of the Senate show a concern and an interest in the people of regions other than those of their own direct constituencies, then we cannot be a great Nation.

The fact that this bill has been written into law is a compliment to the bipartisan consideration it has received, a compliment to the cooperation between Democrats and Republicans on the Public Works Committee and also the cooperation between the majority and minority leaders.

I appreciate, too, the approval of the bill by President Eisenhower.

THE CALENDAR—BILL PASSED OVER

The PRESIDING OFFICER. Without objection, the Senate will proceed with the call of the calendar, beginning with order No. 581, Senate bill 2026.

The bill (S. 2026) to establish an Advisory Commission on Intergovernmental Relations, was announced as first in order.

Mr. BARTLETT. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

FRANCISZEK ROSZKOWSKI

The bill (S. 1702) for the relief of Franciszek Roszkowski was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Franciszek Roszkowski shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PACIFICO A. TENORIO

The bill (S. 1731) for the relief of Pacifico Tenorio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Pacifico A. Tenorio shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PETER SERGEEVICH DERYABIN, ALSO KNOWN AS THEODORE STANLEY OREL

The bill (H.R. 4243) for the relief of Peter Sergeevich Deryabin, also known as Theodore Stanley Orel, was considered, ordered to a third reading, read the third time, and passed.

NETTIE KORN AND MANFRED KORN

The Senate proceeded to consider the bill (S. 1071) for the relief of Nettie Korn and Manfred Korn which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Nettie Korn and Manfred Korn shall be deemed to have been born in Austria.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ALLEN HOWARD PILGRIM AND OTHERS

The Senate proceeded to consider the bill (S. 1557) for the relief of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "fees", to insert a colon and "Provided, That the natural parents of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb Alexander Pilgrim, and Jocelyn Marie Pilgrim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees: *Provided*, That the natural parents of Allen Howard Pilgrim, Cheryl Ann Pilgrim, Robb

Alexander Pilgrim, and Jocelyn Marie Pilgrim shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KENZO HACHTMANN, A MINOR

The Senate proceeded to consider the bill (S. 2238) for the relief of Kenzo Hachtmann, a minor, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "States", to insert a colon and "Provided, That the natural mother of Kenzo Hachtmann shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Kenzo Hachtmann, shall be held and considered to be the natural-born alien child of Charles W. Hachtmann, a citizen of the United States: *Provided*, That the natural mother of Kenzo Hachtmann shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

IRENE MILIOS

The Senate proceeded to consider the bill (S. 2021) for the relief of Irene Milios, which has been reported from the Committee on the Judiciary, with amendments, in line 6, after the word "of", to insert "Mr. and Mrs."; in the same line, after the name "Milios", to strike out "a citizen" and insert "citizens", and in line 7, after the word "States", to insert a colon and "Provided, That the natural parents of Irene Milios shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Irene Milios, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Nicholas Milios, citizens of the United States: *Provided*, That the natural parents of Irene Milios shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONCURRENT RESOLUTION PASSED OVER

The concurrent resolution (S. Con. Res. 11) to invite friendly and demo-

Public Law 86-163
86th Congress, S. 1289
August 18, 1959

AN ACT

73 STAT. 363.

To increase and extend the special milk program for children.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That the first sentence of Public Law 85-478 (72-Stat. 276), is amended to read as follows: "That for the fiscal year beginning July 1, 1958, not to exceed \$78,000,000, and for the fiscal year beginning July 1, 1959, not to exceed \$81,000,000, and for the fiscal year beginning July 1, 1960, not to exceed \$84,000,000, of the funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children."

Milk program.
Extension.
7 USC 1446
note.

Approved August 18, 1959.

